



# ***Daily Report***

---

## **China**

FBIS-CHI-92-110  
Monday  
8 June 1992

# Daily Report

## China

FBIS-CHI-92-110

### CONTENTS

8 June 1992

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Further Reportage on Rio Environmental Meeting .....	1
Beijing's Policy Outlined [XINHUA] .....	1
U.S. Refusal To Sign Reported [XINHUA] .....	1
XINHUA: U.S. 'Virtually Alone' .....	2
U.S. Stance Linked to Politics [Hong Kong HSIN WAN PAO 8 Jun] .....	2
Song Jian Arrives 6 Jun [XINHUA] .....	3
Song at UNCD Exhibition Opening [XINHUA] .....	3
Song Inaugurates PRC Pavilion [XINHUA] .....	3
Song Jian Says China 'Sincere' [XINHUA] .....	4
Environment Official Awarded Prize [XINHUA] .....	4
XINHUA Looks at Earth Summit Funding Issue .....	4
XINHUA Reports on Background to Earth Summit .....	5
Environmentalism's Criticism of Bush Reported [XINHUA] .....	6
Official Talks on Tibetan Environment Policy [XINHUA] .....	7
Nation To Seek 'Massive' Loans From Asian Bank [CHINA DAILY (BUSINESS WEEKLY) 7 Jun] .....	7
Largest Bank Announces Cross-Border Trade Plan [CHINA DAILY 8 Jun] .....	8
G-77, Beijing Stress Development Assistance Stand [XINHUA] .....	9
Radio 'Roundup' Views Deadlock in Uruguay Talks [Beijing Radio] .....	9

##### United States & Canada

Jiang Zemin Meets Visiting Noted U.S. Physicist [XINHUA] .....	11
Revocation of Student Protection Act Demanded [XINHUA] .....	11
Bush, Major Meet, Discuss Rio Summit, Europe [XINHUA] .....	11
Leaders on Rio Treaty, More [XINHUA] .....	12
Bush Confident of Election Win [XINHUA] .....	12
Bush Not Considering Peacekeeping Force for Haiti [XINHUA] .....	13
Bush Proclaims National Observation of WW II [XINHUA] .....	13
U.S. House Passes Defense Authorization Bill [XINHUA] .....	13
U.S. Rejects Kuwait Accusation of Interference [XINHUA] .....	14

##### Central Eurasia

Yeltsin Warns of New, Coming Price Increases [XINHUA] .....	14
Yeltsin Signs Decree on Free Economic Zones [XINHUA] .....	14
Byelarus Military To Work With Russia, Ukraine [XINHUA] .....	14

##### Northeast Asia

Beijing Radio: Japan Adopts Troop-Use Bill .....	15
Bill Called 'Unconstitutional' [Tokyo KYODO] .....	15
Japanese Embassy Protests Detention of Reporters [Tokyo KYODO] .....	15
CPPCC Committee Leader Meets DPRK Visitors [XINHUA] .....	16
Kim Il-sung, Kim Chong-il Receive Yang Baibing [XINHUA] .....	16
Mongolian Delegation Visits Inner Mongolia 1 May [NEIMENGGU RIBAO 6 May] .....	16

### Southeast Asia & Pacific

Qiao Shi Receives, Confers With SRV Justice [XINHUA] .....	17
NPC Population, Health Delegation Visits SRV [XINHUA] .....	17
Shanghai Firm To Build Philippines Power Plant [XINHUA] .....	17
Supreme Court Head Hosts Australian Counterpart [XINHUA] .....	17

### Near East & South Asia

Vice Foreign Minister, Egyptian Minister Meet [Cairo MENA] .....	18
Li Ximing Receives Indian Communist Party Group [XINHUA] .....	18
PLA General Receives Pakistani Medical Group [XINHUA] .....	18
Yang Shangkun Receives Nepalese Speaker 6 Jun [XINHUA] .....	18
Nepal Not To Harm PRC Interests [XINHUA] .....	19

### East Europe

Bosnia Hercegovina Combatants To Open Airport [XINHUA] .....	19
Tito Barracks Evacuated [XINHUA] .....	20
Yugoslavia Seeks End to Sanctions [XINHUA] .....	20
XINHUA Roundup Views Fighting in Sarajevo .....	21

### Latin America & Caribbean

Wu Xueqian Receives Peruvian Politicians [XINHUA] .....	21
Agriculture Group Leaves Argentina for Cuba [XINHUA] .....	21

## NATIONAL AFFAIRS

### Political & Social

Reportage Views Dissident Dai Qing's Return .....	23
Says 'Looking Forward' to Trip [Hong Kong THE STANDARD 5 Jun] .....	23
Calls for Resolving 4 Jun 'Complex' [Hong Kong MING PAO 6 Jun] .....	23
Arrives, Declares Human Rights 'Victory' [Hong Kong SOUTH CHINA MORNING POST 8 Jun] .....	24
Reporter Describes Detainment at University [Hong Kong SOUTH CHINA MORNING POST 5 Jun] .....	24
Wang Juntao, Wife Co-Author Book on Wang's Views [Hong Kong SOUTH CHINA MORNING POST 8 Jun] .....	26
Journal on 14th Congress Personnel Changes [Hong Kong CHING PAO 6 Jun] .....	26
Report Views Deng's Promotion Efforts [Hong Kong THE STANDARD 4 Jun] .....	28
Deng on Future Selection Criterion [Hong Kong CHING-CHI JIH-PAO 4 Jun] .....	28
State Council Holds 105th Executive Meeting .....	29
Yao Yilin Chairs; Draft Laws Adopted [Beijing Radio] .....	29
Part Three of 'Decade of Upsurge' Series [Beijing TV] .....	29

### Economic & Agricultural

Li Peng Urges Northwest Development in Meeting [XINHUA] .....	33
Zhu Rongji Views Low Commodity Quality Problem [Hong Kong WEN WEI PO 30 May] ..	34
Zhu Rongji Spurs Study Into Shoudu Steel Reform [Hong Kong WEN WEI PO 6 Jun] .....	35
Liaoning Measures To End Enterprise Losses [RENMIN RIBAO 3 Jun] .....	35
Commentator Urges Enterprises' Deadline [RENMIN RIBAO 3 Jun] .....	36
Urban Housing Funds, Completion Problematic [CHINA DAILY 6 Jun] .....	37
Minister Reviews Real Estate Industry Development [XINHUA] .....	38
Southwestern Foreign Trade Fair Concludes [XINHUA] .....	38
Policy Forming on Foreigners in Retail Sales [ZHONGGUO XINWEN SHE] .....	39
Foreign, U.S. Trade Volume Rises in May [XINHUA] .....	39

## REGIONAL AFFAIRS

### East Region

Shanghai's Wu Bangguo Endorses High-Tech Firms [Shanghai Radio] .....	40
Shanghai Exchange Pioneers Commodity Circulation [XINHUA] .....	40
Shanghai To Issue 34 New Kinds of Stocks [XINHUA] .....	41
Shanghai To Build Auto Part Production Base [XINHUA] .....	41
Joint-Japanese Corporation Opens in Shanghai [XINHUA] .....	41
New Pudong Sets Import, Export Inspection Bureau [XINHUA] .....	41
Domestic Investors Flock to New Pudong Area [XINHUA] .....	42

### Central-South Region

Economic Growth Taxes Environment in Guangdong [CHINA DAILY 6 Jun] .....	42
Guangzhou Secretary Interviewed on Development [Hong Kong TA KUNG PAO 29 May] .....	43
Zhuhai To Expedite Infrastructure Projects [Hong Kong CHING CHI JIH PAO 1 Jun] .....	44
Hainan Secretary Addresses Nansha Spirit Meeting [Haikou Radio] .....	44

### Southwest Region

Reportage Details Tibetan Environmental Measures .....	45
Northern Himalayas Said Pollution-Free [XINHUA] .....	45
People's Congress Approves Decrees [XINHUA] .....	45
Manufacturing Firms Control Pollution [XINHUA] .....	45
Tibetans Obtaining Loans To Develop Production [XINHUA] .....	46
Tibet Sets 1st Rural Popular Science Association [XINHUA] .....	46

### Northeast Region

He Zhukang Pens Article on Young People's Duties [JILIN RIBAO 4 May] .....	47
--	----

### Northwest Region

Gansu Governor Addresses Crop-Sowing Phone Forum [Lanzhou Radio] .....	49
Song Hanliang Attends Young Pioneers Congress [Urumqi TV] .....	49

## TAIWAN

Firms Urge Agreement on U.S. Copyright Pact [Taipei Radio] .....	51
Spokesman: Nation 'Pleased' With Accord [CNA] .....	51
Officials Welcome Pact [Taipei Radio] .....	51
Lawmakers Term Deadline 'Interference' [CNA] .....	52
GIO To Protect Videotape Copyrights [Taipei Radio] .....	52
Government To Set More Regulations [Taipei Radio] .....	53
Slovenian Science Minister Arrives for Visit [CNA] .....	53
Foreign Minister Departs for Central America [Taipei Radio] .....	53
President Li Welcomes Sinologist Delegation [CNA] .....	53
Legislature Unfreezes Nuclear Power Plant Budget [CNA] .....	53
Cross-Straits Technology Transfer Guidelines Set [CNA] .....	54
Government To Expand Indirect Mainland Imports [Taipei Radio] .....	54

## HONG KONG & MACAO

### Hong Kong

Over 80,000 Attend Tiananmen Anniversary 'Vigil' [THE STANDARD 5 Jun] .....	55
Police, Demonstrators Clash [AFP] .....	55



Governor Wilson Departs on Farewell Mainland Tour [XINHUA] .....	55
Arrives in Beijing [XINHUA] .....	56
Attends Banquet [XINHUA] .....	56
Meets With Lu Ping on Airport [SOUTH CHINA MORNING POST 8 Jun] .....	56
Received by Vice Foreign Minister [XINHUA] .....	57
Governor Designate Appoints Key Personal Advisers [SOUTH CHINA MORNING POST 3 Jun] .....	58
Lawmaker Questions Patten's 'Political Ambitions' [THE STANDARD 5 Jun] .....	58
Council: Election Law Should Permit Mainlanders [THE STANDARD 5 Jun] .....	58
Background to Basic Law Amendment Dispute Viewed [Hong Kong WEN WEI PO 2 Jun] .....	59

## General

### Further Reportage on Rio Environmental Meeting

#### Beijing's Policy Outlined

OW0506135692 Beijing XINHUA Domestic Service  
in Chinese 0536 GMT 5 Jun 92

[By reporter Geng Jiuzhan (5105 4428 2069)]

[Text] Rio de Janeiro, 4 Jun (XINHUA)—Qu Geping, deputy head of the Chinese delegation to the UN Conference on Environment and Development and director of the State Environmental Protection Bureau under the Chinese State Council, delivered a speech this afternoon at the "International Environmental Technology Exhibition and Conference Center." In his speech he elaborated on China's strategic philosophy and policy, stressing "an integrated development of the economy and society in conjunction with the protection of the environment."

In the speech entitled "Environmental Policy—A Major Subject in China's Development Policy," Qu Geping said: After more than a decade of practice, China has gradually instituted three primary policies to protect the environment. They are the policy of "combining prevention with treatment of environmental pollution or destruction, with an emphasis on the prevention;" the policy of "holding polluters responsible for their acts;" and the policy of strengthening environmental management," strengthening management being the key element.

He noted: The policy of "combining prevention with treatment of environmental pollution or destruction" was formulated in light of the large-scale economic construction under way in China. This policy chiefly contains two measures: One measure calls for incorporating environmental protection into long-term, intermediate, and fiscal plans for economic and social development of state, localities, and various trades and industries. The other calls for evaluating the possible impact of development or construction projects on the environment and the "three concurrences" (facilities for preventing and treating environmental pollution and destruction should be designed, constructed, and put into use at the same time as the principal part of any production project). The second measure has achieved remarkable results in controlling pollution from new projects. Over the past decade, China's gross national product has more than doubled, yet it has not experienced an equal amount of increase in pollution. Instead, for every 10,000 yuan of industrial output value, the quantities of waste liquids and waste solids generated have been reduced, while the purification of industrial waste gas has been improved.

The policy of "holding polluters responsible for their acts" is targeted at those factories, mines, and other enterprises that give little thought to the environment and expect the government and society to clean up their

acts for them, and this is reinforced with legislation. The policy calls for technological renovation to help prevent or control industrial pollution. It sets deadlines for factories, mines, and enterprises to clean up their past pollution. It also imposes fees on units that release pollutants.

Qu Geping stressed: Enacting laws and formulating standards are the principal measures used to strengthen environmental management. So far, China has promulgated four special environmental protection laws and various other decrees. Environment management agencies have been established at the central, provincial, city, and county levels, employing more than 70,000 people. At the same time, environmental departments have also established 2,039 environment monitoring stations which promptly report environmental conditions in various localities. State-owned large and medium-sized enterprises also establish their own environmental management offices, employing more than 200,000 people.

Qu Geping said: To promote continuous progress of environmental protection, in the past two years China has required government leaders at various levels to achieve set environmental targets during their terms of office and make public their progress, which is used to evaluate their overall performance. At the same time, it has also instituted a system of urban environmental management evaluation. Under the system, urban environment work is evaluated annually according to 20 predetermined targets, and the results of the evaluation are made public and used as one aspect of the urban government leaders' overall performance. The state is in charge of evaluating 32 cities, while governments at the provincial level evaluate cities under their jurisdiction. The number of cities being evaluated has reached 230, accounting for one-half of the total number of the country's cities. Thanks to the implementation of this evaluation system, urban environmental conditions have notably improved.

Qu Geping concluded: China has achieved a great deal in environmental protection. However, there are still many problems yet to be resolved. We hope to learn from the good practice and experience of other countries during the current conference in order to push forward China's environmental protection.

#### U.S. Refusal To Sign Reported

OW0606210092 Beijing XINHUA in English  
2023 GMT 6 Jun 92

[Text] Rio de Janeiro, June 6 (XINHUA)—Twelve countries have signed the United Nations framework convention on biological diversity and more have expressed their willingness to endorse the treaty.

The convention designed to better conserve animals, plants and microbial species on the earth was opened for signature Friday afternoon and Brazilian President Fernando Collor de Mello was the first head of state to put his name on the document.

Following the suit were India, the Netherlands, Australia, Antigua and Barbuda, Norway, Romania, Pakistan, Bangladesh, Indonesia, Italy and Belgium.

Despite the U.S. refusal to accept the treaty, some Western allies of the United States, including Canada and France, have showed their intention to be the signatories.

The U.S. position on the convention, which stems from the government's economic concern, were openly criticized here by representatives and environmentalist groups here inside and outside the ongoing U.N. Conference on Environment and Development (UNCED), or the Earth Summit.

The Greenpeace International, an environmentalist group of world renown, charged that President George Bush's allegation that signing the document would put million American jobs at risk as missing "the critical link between job security and the protection of the planet."

The document is expected to be signed by 98 countries at the end of the summit. And it then will remain open for signature for a year at the U.N.

#### XINHUA: U.S. 'Virtually Alone'

OW0706000492 Beijing XINHUA in English  
2342 GMT 6 Jun 92

["U.S. Virtually Isolated on Biodiversity Convention Signing"—XINHUA headline]

[Text] Rio de Janeiro, June 6 (XINHUA)—The head of the U.S. delegation to the U.N. Conference on Environment and Development has not been authorized to sign the biodiversity convention which is being officially endorsed by more and more countries.

William Reilly, chief of the U.S. delegation, sent a memorandum to the White House Friday, requesting permission to sign the biodiversity convention, but the Bush administration did not grant the authorization.

Brazilian Foreign Minister Celso Lafer categorically denied that his government had promised to modify the text of the convention, which was opened for signature yesterday afternoon, in order that the United States would accept it.

Until last night, 12 countries had already signed the agreement. Following the example of France, the Japanese delegation also announced its decision to sign the convention, leaving the United States virtually alone on the "opposition front."

The press here noted today that after three days of the environment conference, contradictions have deepened among the members of the U.S. delegation, which "seems more confused, more negative, more chaotic and more isolated."

#### U.S. Stance Linked to Politics

HK0806104292 Hong Kong HSIN WAN PAO  
in Chinese 8 Jun 92 p 1

["New Talk" column: "United States Isolated at 'Earth Summit'"]

[Text] When meeting with British Prime Minister Major, U.S. President Bush said again he will refuse to sign on the "UN Biodiversity Treaty," which the "earth summit" is ready to adopt. This will result in the further isolation of the United States among the more than 170 participating countries. Bush will go to Rio de Janeiro this week to attend the meeting. When he arrives, an embarrassing situation may possibly occur.

This event clearly shows the whole world a fact that for many years, the United States, which regards itself an international gendarme, has always put its own interests above everything else when handling all issues, rather than taking the benefit and development of all mankind as its starting point, and that the United States itself also puts the interests of large enterprises in first place. Bush himself also did not conceal this reason when explaining why he would not sign the aforesaid treaty.

Once the "UN Biodiversity Treaty" is adopted, there will be a lot of work to do to ensure its implementation. The main objective of the treaty is to preserve the existing animals and plants on earth as far as possible so the phenomenon of extinction of any species may not occur. To achieve this purpose, it is necessary to maintain an ecological balance. The environment should not be polluted and resources should not be wasted. Thus, the United States, which has only 5 percent of the world population but is consuming 25 percent or more of the energy and other resources, is faced with worldwide condemnation and is required to control this consumption and improve.

The developing countries also proposed that the countries which are using more resources should pay more funds to protect the world's living things. They should transfer their technologies for protecting living things on preferential terms and on a noncommercial basis and should not wantonly exploit the genetic factor resources so the animal and plant resources may not be disturbed. But Bush said all such things are done by nongovernmental enterprises, so the U.S. Government cannot place restrictions on them and cannot sign the treaty.

As everyone knows, this year is a general election year in the United States. As President in his tenure of office, the rate of support Bush has won is the lowest in the past many years. To run for the presidency and to ensure the position of the Republicans in power, he will adopt a policy of "giving priority to U.S. enterprises" rather than a policy of "giving priority to environmental protection." Thus, an "anti-environmental protection" club has almost been established, which is headed by Bush and composed of Vice President Quayle, Secretary of State Baker, and others.

As Bush and Baker were both from Texas, they have close relations with the oil production circles. In recent years, environmental protection has become one of the key links for winning or losing votes during the general election. Large enterprises take it as a criterion for deciding whether to support a certain candidate or not (Brown, the Democratic candidate for this year's election and former governor of California State, was finally defeated by Clinton because he was in favor of environmental protection). Bush is enjoying less popular support because of the economic recession. Therefore, he dares not lose the support of large enterprises. It seems that it is a foregone conclusion that he will refuse to sign on the "UN Biodiversity Treaty" after arriving in Rio de Janeiro, a refusal which will not be changed.

To reverse the isolation of the United States at the "earth summit," Bush announced an allocation of \$150 million of funds for "protecting forests." He even called on the developed countries to take concerted action, as if he was attaching great importance to the world's ecological environment. However, this trick still cannot cover up the isolated position of the United States, nor can it resist the criticisms and condemnations from various sides.

Since the disintegration of the Soviet Union, the prestige and strength of the United States have also greatly declined. This is a characteristic of the last decade of the 20th century. Even if the "earth summit" is unable to make great and substantial contributions to the future of the earth and the future of mankind, the fact that it has found the crux of the problem and formed a pressure for its solution is an achievement.

#### **Song Jian Arrives 6 Jun**

OW0606010592 Beijing XINHUA in English  
2323 GMT 5 Jun 92

[Text] Sao Paulo, June 5 (XINHUA)—Song Jian, head of the Chinese delegation to UNCED [United Nations Conference on the Environment and Development], arrived today in Sao Paulo, Brazil, for the largest ever gathering on environment and development in human history.

Song Jian, state councillor, chairman of the Environmental Commission of the State Council and minister in charge of State Science and Technology Commission of China, is going to Rio de Janeiro to attend the UNCED, which opened on June 3 in Rio. He will give a speech at the ministerial meeting of the UNCED on June 8.

Song Jian was met at the airport by Chinese Consul General Xu Shaohai and Brazilian officials of Sao Paulo state government.

The Chinese delegation head visited the Technical Research Institute of Sao Paulo state this afternoon.

#### **Song at UNCD Exhibition Opening**

OW0706083092 Beijing XINHUA Domestic Service  
in Chinese 0200 GMT 7 Jun 92

[By reporter Wu Yongheng (0702 3057 1854)]

[Text] Sao Paulo, 6 June (XINHUA)—"The International Environmental Technology Exhibition," which is being held in conjunction with the UN Conference on Environment and Development [UNCED], opened on the morning of 6 June in Sao Paulo, Brazil's largest city.

Jose Goldemberg, Brazilian education minister and national secretary of environmental affairs, inaugurated the exhibition on behalf of Brazil's President Collor. Song Jian, state councillor and minister in charge of the State Science and Technology Commission, as well as the head of the Chinese delegation to the UNCED, attended the inauguration on invitation.

Goldemberg pointed out in his speech: We can only rely on science and technology to save the planet. He said: To improve the earth's ecological environment, we should not only depend on diplomatic and political resolutions made at the UNCED in Rio de Janeiro, but we should also rely on the latest technological achievements for environmental protection displayed at the Sao Paulo exhibition.

Twenty-one countries including China and European Community nations participated in the exhibition, demonstrating their respective research, studies, and accomplishments on environmental protection.

#### **Song Inaugurates PRC Pavilion**

OW0606204092 Beijing XINHUA in English  
1935 GMT 6 Jun 92

[Text] Sao Paulo, June 6 (XINHUA)—Song Jian, state councillor and minister in charge of State Science and Technology Commission, inaugurated the Chinese pavilion at the international environmental technology exhibition here today.

The eco-tech show, which was opened today as part of the activities of the U.N. Conference on Environment and Development (UNCED), comprises 21 countries including China and the European Community.

Sponsored by China's State Science and Technology Commission and the State Environmental Protection Bureau, 75 Chinese scientific research institutes and manufacturers take part in the show.

The Chinese pavilion covers water treatment, atmosphere, energy, waste, noise control, environmental protection monitoring instruments and new materials.

Jose Goldemberg, Brazilian education minister and national secretary of environment attended the inauguration on behalf of the Brazilian Government.



Chinese consul general to Sao Paulo was also present on the occasion.

### **Song Jian Says China 'Sincere'**

OW0706020692 Beijing XINHUA Domestic Service  
in Chinese 1009 GMT 6 Jun 92

[By reporter Wu Yongheng (0702 3057 1854)]

[Text] Sao Paulo, 5 Jun (XINHUA)—Song Jian, state councillor, minister in charge of State Science and Technology Commission, director of the State Environmental Protection Bureau, and head of the Chinese delegation to the UN Conference on Environment and Development [UNCED], said today that with a strong desire, the Chinese Government hopes to make joint efforts with other countries to ensure the successful convention of the current UNCED meeting and will do its utmost for the success of this meeting.

The UNCED meeting opened on 3 June at the Rio de Janeiro International Convention Center. Delegation head Song Jian and his party arrived here today to attend the opening of the international environmental technology exhibition tomorrow, as well as to preside over the opening ceremony of the Chinese pavilion. He is also scheduled to speak at a ministerial-level meeting in Rio de Janeiro on 8 June.

Song Jian gave an interview to a XINHUA NEWS AGENCY reporter upon his arrival in Brazil. He said that the fact that China has sent a high-level delegation to attend the ministerial meeting of UNCED and that Premier Li Peng will attend a summit meeting 12-14 June shows that the Chinese Government has attached great importance to this UNCED meeting.

He said China's attendance at the current UNCED meeting has double meaning. First, it shows that China is willing to make its own contribution to solving the world's environmental problems. Second, China is willing to take the opportunity of this meeting to learn new experiences and good methods from other countries on solving environmental problems in order to better coordinate the work of environment and economic development in China.

Song Jian said that the Chinese Government is sincere about reaching a consensus with other governments and knowledgeable people on the issue of development and environment and hopes that practical and significant progress on major issues will be achieved at the current UNCED meeting.

### **Environment Official Awarded Prize**

OW0606234192 Beijing XINHUA in English  
2254 GMT 6 Jun 92

[Text] Rio de Janeiro, June 6 (XINHUA)—Qu Geping, administrator of China's national Environmental Protection Agency, was awarded the international environment prize here today by the United Nations Environment Program (UNEP).

It is the first time that the prize, officially called UNEP Sasakawa Environment Prize, was awarded to a Chinese official, who shared the prize with a joint winner, Russian hydrometeorologist Professor Yuriy Izrael.

The prize-awarding ceremony was held at the municipal theater with Maurice Strong, secretary general of the U.N. Conference on Environment and Development (UNCED) and Mostafa Tolba, executive director of the UNEP present on the occasion.

In a statement at the ceremony, President of Sasakawa Selection Committee Misael Pastrana Borero, former Colombian president, praised Qu's important role played in controlling China's environment degradation. He said that thanks to Qu's unremitting efforts effective measures were taken to protect the environment in China's industrial development process. "This has become a pace setter for developing nations to follow," he said.

Professor Qu said in his reply, "This honor belongs to my ancient and great motherland, my 1.1 billion diligent and honest fellow countrymen and my Chinese colleagues who have been working together to protect the environment."

He said that he would regard this honor as "a strong support to the cause of environmental protection in China and a manifestation of profound friendship towards the Chinese people."

The UNEP Sasakawa Prize, established in 1972, was first awarded in 1976. In 1982, the Japanese Sasakawa Foundation donated one million U.S. dollars for the prize and the prize has been worth from 50,000 to 200,000 dollars since 1990.

### **XINHUA Looks at Earth Summit Funding Issue**

OW0606025892 Beijing XINHUA in English  
0138 GMT 6 Jun 92

["News Analysis: Funding is Top-Most Issue at Earth Summit" by Wang Chunrong]

[Text] Rio de Janeiro, June 5 (XINHUA)—Financial contribution to environmental projects remains the top-most issue at the U.N. Conference on Environment and Development, but it is one on which little obvious headway is being made.

Brazilian President Fernando Collor de Mello, U.N. Secretary-General Boutros Boutros-Ghali and Secretary-General of the Environment Conference, Maurice Strong, all advocated that this "crucial and priority" problem be resolved at this conference.

Nevertheless, it appears that industrialized countries have not made the proper response.

The director of the U.S. Environmental Protection Agency, William Reilly, reiterated that his country

would not offer more or new funds for the environmental protection programs contained in "Agenda 21," a plan of action that should be adopted at the conference.

Strong calculated that the budget needed for carrying out "Agenda 21" would be around 625 billion U.S. dollars per year. He affirmed that "the issue of new and additional funds, more than any other issue, will clearly demonstrate the degree of political will and commitment of all the countries with respect to summit commitments."

The United States is not alone in maintaining a passive position on this issue.

At the preparatory meeting of the environment conference held in New York City, no agreement was reached on this matter because of the fact that the European Community (EC) insisted that the global environment fund, created by the North and supposed to be administered by the World Bank, be the only mechanism for channeling funds earmarked for "Agenda 21."

Southern hemisphere countries rejected that stand in the belief that the global environment fund could be one of the mechanisms but not the only one.

The leader of the Group of 77, Jamsheed Marker of Pakistan, said he hoped that the EC would modify its position on the issue.

Portuguese Environmental Minister Carlos Borrego declared, on behalf of the EC, that the global environment fund should play a leading role as a multilateral mechanism. But he did not insist that the fund be the only mechanism for funneling the resources the application of "Agenda 21" will need.

Western delegates commented today that the distance between the United States and EC member-states on a number of matters was obvious at the conference.

While the United States remains intransigent on the Biodiversity Convention and financial contributions, some EC countries are showing their willingness to negotiate these matters.

Meanwhile, southern countries consider it necessary to give new and additional funds for guaranteeing environmental protection efforts and the sustained development of their economies. They argue that without a socially and economically just world, there cannot be an environmentally sound planet.

Delegates who were consulted said the most important thing was to reach an agreement on financial contributions and that the mechanism for funneling the resources, although also important, could take a back seat.

"If we cannot agree about the funds necessary to pay for Agenda 21," they said, "perhaps we will not have to worry ourselves much about the institutions for applying the Rio Summit conclusions."

Strong himself said at the last session of the preparatory meeting that if a solid financial agreement could not be reached, the 800-page Agenda 21 would go down in history only as a magnificent document lacking effectiveness.

This consequence is just what delegates of many countries, in both the northern and southern hemispheres, are trying to avoid at the environment conference, which will end on June 14.

#### XINHUA Reports on Background to Earth Summit

OW0506030192 Beijing XINHUA in English  
0102 GMT 5 Jun 92

["Backgrounder: UNEP—A Green Watchdog That Barks in Earth Summit"; by Ma Xiufang]

[Text] Nairobi, June 4 (XINHUA)—The role of the United Nations Environment Program (UNEP) as world's green watchdog reached its climax on Wednesday when the United Nations Conference on Environment and Development was successfully inaugurated in the Brazilian port city of Rio de Janeiro.

Prior to the Earth Summit, the two-decade-old U.N. body called a series of preparatory meetings and succeeded in thrashing out major documents which are now under the rumination of some 100 world leaders participating in the conference. At the latest of such meetings held in Nairobi, Kenya, in the middle of last month, a Convention of Biological Diversity was adopted by negotiators from 97 countries. The treaty, along with the Framework Convention on Climate Change adopted earlier in May in New York, are now open for signature at the summit.

The even more significant UNEP masterpieces, however, are the Rio Declaration, formerly known as the Charter of the Earth that has outlined principles for clean development, and the Agenda 21. The two draft documents have been submitted to the Rio Summit for consideration and approval.

The 900-page Agenda 21 has summarized the global strategies for development and environmental protection leading to the 21st century, and run deep into such issues as toxic wastes, the transfer of clean technologies, and ways and means of assisting the Third World countries in their benign development.

In addition to these documents, a crucial memorandum entitled "Saving Our Planet—Challenges and Hopes" also has been presented to the conference.

The informative and thought-provoking report, prepared by UNEP's 58-nation governing council, points to the deterioration of environment worldwide ever since the 1972 U.N. Conference on the Human Environment in Stockholm, Sweden, and warns that our planet is now confronting the worst ecological disasters.

This is the second comprehensive report on world environment by the UNEP Council. The first came out in 1982 at the 10th anniversary of the founding of UNEP at the Stockholm Conference.

Since its inception in 1972, UNEP has maintained a close watch on the changing state of global environment. It has been analysing the development trends, raising the level of environmental protection, and promoting relevant projects.

Prior to the Earth Summit, UNEP has also organized and sponsored some other international and regional meetings which have led to the signing of various important environmental agreements.

The African Ministerial Conference on the Environment, held in Cairo in 1985 under the auspices of UNEP, made great efforts for halting and reversing the degradation of environment in the African continent.

The historic Montreal Protocol, negotiated with the help of UNEP in 1987, has played an effective part in reducing the damage to the Earth's ozone layer.

The 1989 Basle Convention, another outstanding work of UNEP, has set strict regulations on the international movement and disposal of hazardous industrial wastes.

The Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), also a brainchild of UNEP, has tightened up the control of the trade of wildlife products.

As a result of UNEP's catalytic work, many countries in the world have initiated far-reaching environmental programs and more than 30 countries have embarked on national conservation strategies.

With its headquarters in Nairobi, UNEP has been coordinating environment-related activities of all U.N. agencies, governments and non-governmental organizations.

The green watchdog provides the world with vital information on environment through its remarkable international services such as the global environment monitoring system (GEMS), the International Register of Potentially Toxic Chemicals (IRPTC) and the worldwide information network of Infoterra.

GEMS concentrates on such vital areas as climate and atmosphere, oceans, terrestrial renewable resources, transboundary pollution as well as the health consequences of pollution.

IRPTC gives advice on chemical safety decisions and helps the developing countries to establish their own chemical information systems.

Infoterra, with access to a reservoir of data collected from 6,200 institutions and experts in 1,100 priority subjects areas, provides governments, enterprises and research institutions with technical assistance, leading them to better decisionmaking on ecological enhancement.

All these achievements, however, are far from being an easy job. A UNEP, while in preparation for the Earth Summit, met with strong resistance from some developed countries, which are responsible for a large share of environmental pollution but have repeatedly refused to heed the reasonable position of the developing nations.

The United States Government, for instance, has voiced its objection to signing the biological diversity treaty adopted at the Nairobi Conference on the pretext that it has to look after the interests of its own people.

Meanwhile, some Third World countries have stressed that under-development is compelling them to adopt environment-damaging strategies, which calls for UNEP to pool more international efforts to solve the issue of development before sorting out the ecological problems of this planet.

Now, with the opening of the Earth Summit, another round of hard bargaining is in the offing. But the big gathering itself has demonstrated that UNEP has been a faithful and efficient watchdog on the human environment, and will be so in the days to come.

### Environmentalists' Criticism of Bush Reported

OW0606000392 Beijing XINHUA in English  
2321 GMT 5 Jun 92

[Text] Rio de Janeiro, June 5 (XINHUA)—The United Nations Framework Convention on Biological Diversity was opened for signature here today to provide guidelines for the global conservation of animals, plants and microbial species.

It was the second product of the ongoing U.N. Conference on Environment and Development (UNCED), or popularly known as the Earth Summit, as the largest ever gathering of the kind proceeded on its third day.

The U.N. Framework Convention on Climate Change, which aims at stabilizing the contracted nations' emissions of greenhouse gases, mainly carbon dioxide, by the end of this decade, was opened for signature Thursday.

Brazilian President Fernando Collor de Mello, who presided over a ceremony for the event this afternoon, was the first head of state to put his name on the Biodiversity Treaty.

"Conservation and sustainable use of biological diversity are essential to meet the growing needs of the world population for food and health in order to maintain the life-supporting system of the planet," he said.

He called for opening up "a new era of equitable distribution of benefits" among nations possessing genetic resources and those having scientific and technological means to manage them.



The international community should find ways and means to link, fairly and firmly, the access to genetic resources to technologies used in their manipulation, he said.

Dr. Mostafa Tolba, executive director of the U.N. Environment Program (UNEP), said developed countries will have a degree of access to the biological resources of developing countries and developing countries will have new access to the technological resources of industrialized countries under the terms of the treaty.

He urged the representatives from various nations to sign the Biodiversity Convention "not as an end of itself, but as a necessary beginning of a process that must grow, and grow quickly, if the world is to be made safe."

Heads of state or government, government ministers and high ranking diplomats are expected to sign the U.N. Convention in the next nine days of the Earth Summit. The document will then be brought to the U.N. headquarters in New York and remain open for signature for a year.

It must be ratified, accepted, approved or acceded to by national legislatures in at least 30 countries before entering into force.

However, the United States has insisted that it would not sign the treaty though a number of its Western allies, including Canada and France, have agreed to accept the document.

The latest indication of the U.S. refusal came from Thursday night's announcement by President George Bush, in which he argued that signing the Biodiversity Convention would place millions of American jobs at risk.

Greenpeace International, an environmentalist group of world renown, accused Bush of "hiding behind a bogus jobs versus environment argument" in its response here today to Bush's statement.

Clif Curtis, Greenpeace International's chief lobbyist at the Earth Summit, said "the only job Bush is trying to save is his own job" with only five months before the U.S. presidential elections.

Despite his decision to come to Rio for the Earth Summit, Curtis said, the U.S. President stands alone, isolated from the world's leaders—both north and south.

#### Official Talks on Tibetan Environment Policy

OW0606174392 Beijing XINHUA in English  
1709 GMT 6 Jun 92

[Text] Rio de Janeiro, June 6 (XINHUA)—Zha Xi, deputy director of the Planning Commission of Tibet, gave a lecture on the environmental protection in the Tibet Autonomous Region of China today at the Global Forum in Flamengo Park here.

Zha Xi, a Tibetan official, is a member of the Chinese people's environment delegation which is here to attend the Global Forum, parallel activities of the U.N. Conference on Environment and Development (UNCED) or the Earth Summit.

Tibet has made great achievements in environmental protection while developing its economy since 1970's and in economic construction since 1950's, Zha Xi said.

The Tibetan official gave a number of figures to show how much work has been done in environmental protection by the autonomous region government.

There has been no incident of environmental pollution such as acid rain there; Tibet, a unique land called "the third pole," has the bluest sky and cleanest water in the world, he said.

With the industrial construction and due to overgrazing, much attention has been paid to the establishment of environmental institutions and the formulation of local regulations in this regard, he said.

In addition to its seven nature reserves, Tibet plans to set up five other nature reserves mainly to protect wildlife and plants, he added.

"People's awareness of environment has been gradually enhanced," Zha Xi said.

The lecture was followed by a question-answer period.

The Chinese people's environment delegation is going to sponsor three other lectures during the Global Forum, a forum for non-governmental organizations, scientists, environmentalists and various kinds of institutions to express their views and ideas concerning environment and development.

The delegation is headed by Xie Qimei, president of the U.N. Association of China and former U.N. under-secretary general.

#### Nation To Seek 'Massive' Loans From Asian Bank

HK0706051292 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7 Jun 92 pp 1, 4

[By Zhu Ling: "China Plans Big Loan Request"]

[Text] Chinese officials have disclosed they will seek a massive programme of borrowing from the Asian Development Bank (ADB) that follows on the heels of the biggest loan ever made by the bank to China last month.

Zhang Ming, director of the International Department of the People's Bank of China, said China will unveil proposals to borrow \$2.2 billion in 1993 and 1994 in Manila next month as bank and Chinese officials meet for 10 days to discuss China's near-term borrowing requests.

Zhang told BUSINESS WEEKLY: "We need assistance and support from the international community to fight poverty in China.

"And international financing will also facilitate our effort to keep the economic development of coastal and inland China in balance."

Banking analysts say China's loan programme reflects the country's commitment to boosting the economy of its vast, underdeveloped midwest.

Zhang said that the ADB expressed its hope early this year that it could shift part of its credit to China away from the coastal areas to untapped inland areas in an effort to solve the country's unbalanced regional development.

The 49-year-old Zhang was appointed to his present post at the country's central bank at the end of last year after he served for three years as the top executive official of Beijing's foreign economic relations and trade.

During his three-year term, Beijing's exports jumped while the city approved a total of 1,560 foreign-funded ventures in 1991 versus 261 by the end of 1987.

The newly-appointed director also said that China is gearing up to promote its ties with various financial organizations worldwide as part of the country's drive to open wider to the outside world.

Next year, the country's central bank proposes borrowing \$1 billion from ADB on 11 projects in such fields as paper production, agriculture, environmental protection and energy.

"In 1994, we intend to borrow \$1.2 billion from the ADB to finance eight key projects including hydroelectric power stations and highway and railway construction in Northeast China," he said. Zhang would not reveal the figures for 1995.

China may borrow between \$800 million and \$1 billion from the ADB this year, the director said.

Late last month, Zhang signed two draft agreements with the ADB in Manila, including one involving the largest-ever ADB loan to China.

The largest, a \$200 million ADB loan, will help build a 480-kilometre modern railway, equipped with advanced telecommunication and automatic control systems, in Guangdong.

The second loan, \$50 million from ADB, will go to build a modern highway in Liaoning Province.

Zhang revealed that the official signing for the loans will take place "very shortly" in Manila, where the ADB is based.

Analysts say that the terms of the ADB loans are favourable to the borrowers: repayment can take as long as 35

years with an additional grace period of seven to eight years. The interest rate is less than six percent.

China joined the Asian Development Bank in March 1986. By the end of last year, the bank had approved about \$1 billion in loans and equity investments to China on 16 projects.

The bank also approved a \$24.6 million technical assistance grant to China for 56 projects between 1986 and 1991, Zhang said.

He described the grant as very beneficial to economic development in China.

"The ADB helps us tackle highly sophisticated technical problems by sending top-quality experts based on the name list we provide," he said, adding that China fully appreciates the objectives of the ADB's lending to the country: efficiency enhancement, environmental improvement and poverty alleviation.

The ADB announced earlier this year that the time is right for strengthening the cooperation between China and the 52-member international development financial body.

"We will strive to obtain more soft loans from the international financial organizations," he said, alluding to loans that are made with favorable rates of interest or repayment schedules.

To facilitate the expansion of the ADB business in China, the country's central bank is considering sponsoring seminars and publishing various books on ADB to familiarize more Chinese with the bank.

In the middle of next month, the Bank of International Settlement based in Basel, Switzerland, will hold its annual meeting and China will dispatch a delegation to the meeting, said Zhang.

China also is making efforts to further develop banking relationships in Latin America and Africa.

And he said a People's Bank of China representative office in Abidjan is seeking business opportunities for Chinese firms in Africa. He did not elaborate.

### **Largest Bank Announces Cross-Border Trade Plan**

*HK0806011692 Beijing CHINA DAILY in English  
8 Jun 92 p 2*

[By staff reporter Zhang Yu'an: "Major Savings Bank Pledges Support for Cross-Border Trade"]

[Text] The Industrial and Commercial Bank of China, the country's largest savings bank, has worked out a five-pronged plan to support development of border trade and economic co-operation between China and the former Soviet Union republics as well as eastern European states, bank officials in Beijing said.

The bank also will inject 600 million yuan (\$109.1 million) into its branches in the four new open cities of Suifenhe, Huichun, Heihe and Manzhouli in Heilongjiang Province and Inner Mongolia Autonomous Region.

Opening the four cities is China's latest move to follow its policy of opening to the outside world—not only to the West, but also to other states, including the Commonwealth of Independent States (CIS).

The money is designed to strengthen those branches so that they can assist the drive in those four cities and promote border trade between China and CIS as well as Mongolia and east European states, said Huang Yujun, vice-president of the bank.

#### The Plan

The five-pronged plan, initiated at the bank's recent meeting held in Heihe City bordering Russia, includes:

- Expand the power of Heihe, Suifenhe, Huichun and Manzhouli branches from county-level to prefecture-level in both financial and personnel management;
- Add 25 million yuan (\$4.54 million) to their credit funds to enhance their pools for loans;
- Add 230 million yuan (\$41.82 million) in special loans to the branches to support border trade development;
- Provide those with foreign exchange business with \$2 million hard cash as capital;
- Support their participation in financing key projects and infrastructure construction in those four cities.

Bank officials from branches in Jilin, Liaoning and Yunnan provinces and the Guangxi Zhuang and Xinjiang Uygur autonomous regions, who also attended the Heihe meeting, should be actively involved in supporting border trade development, Huang said.

It was decided at the meeting that supporting border trade and economic co-operation between China and its neighbouring countries is an important part of the bank's policy to support reform and opening, Huang said.

#### G-77, Beijing Stress Development Assistance Stand

OW0606005892 Beijing XINHUA in English  
2321 GMT 5 Jun 92

[Text] Rio de Janeiro, June 5 (XINHUA)—The Group of 77 and China called for a reaffirmation by developed countries of their commitment to reach the accepted U.N. target of 0.7 percent of their GNP [gross national product] for the official development assistance.

This call was made at the general debate of the U.N. Conference on Environment and Development (UNCED) this afternoon.

They called on developed nations to fulfill the target as early as possible, and not later than the year 2000, as a step in the direction to providing adequate, new and additional funds."

The G-77+1 also suggested that a substantial initial financial commitment be made by developed countries at UNCED to be followed by a pledging conference to be called in the forthcoming U.N. General Assembly session.

They suggested the establishment of a monitoring mechanism to ensure adequacy, additionality and predictability of grant and/or concessional financial flows to developing countries, and that the global environment facility in a properly restructured fashion should be one of the mechanisms.

In addition, the G-77+1 wished to emphasize the importance of a supportive international economic climate as agreed in Chapter 2 of Agenda 21, in the UNCTAD [United Nations Conference on Trade and Development] declaration at Cartagena, as well as in the Tokyo Declaration. There should also be adequate measures for debt relief, and increased access to markets of developed countries.

The UNCED general debate will continue tomorrow morning.

#### Radio 'Roundup' Views Deadlock in Uruguay Talks

OW0406060092 Beijing Central People's Radio  
Network in Mandarin 0500 GMT 3 Jun 92

[Roundup by reporter Yi Ping: "Present State of the Deadlocked Uruguay Round of Talks and Its Consequences"; from the "International News and Current Events" program]

[Text] The Uruguay trade talks, which have lasted for five years, have been postponed for the third time. The first postponement was at the end of 1990 and the second came in 1992.

The fact that the talks failed to conclude successfully on schedule was directly attributed to some unresolved issues regarding the talks' agenda. In addition to differences at the talks on market access and (?international trade), there were serious differences on the question of subsidies for farm products between the United States and the EC.

The United States originally demanded that the EC reduce subsidies for production of farm products by 75 percent over 10 years. But the EC only promised to cut farm subsidies 30 percent between 1986 to 1996. Considering the deep differences between the United States and the EC on the question of farm subsidies, Arthur Dunkel, chairman of the Uruguay Round and director general of the General Agreement on Tariffs and Trade, put forward a compromise proposal at the end of last year. According to the proposal, internal subsidies for farm products should be reduced 20 percent; subsidies for exports cut 36 percent; and the amount of farm products enjoying subsidies scaled back 24 percent. The EC rejected the proposal, however, and demanded that it be revised.



In the past year representatives from the United States and the EC have been holding talks in Brussels on the question of farm products. The talks between Prime Minister [name indistinct] and the U.S. head of state were related to this matter. Recently, the U.S. agriculture secretary went to Paris to meet with a high-ranking EC official. Although both sides were flexible to some degree, no essential progress was made in the talks because some issues under discussion involved their respective vital interests.

In late May, agriculture ministers of the 12-nation EC reached an agreement in principle, after heated debate, on reducing farm subsidies. In a statement, Dunkel welcomed the agreement, believing that it will have a significant impact on advancing the Uruguay Round. Britain's agriculture minister explicitly pointed out that the EC's decision is a signal to the United States and that any progress during the Uruguay Round depends on what the United States plans to do.

Whether the EC's agreement in principle on reducing farm subsidies can play a role in advancing the Uruguay Round is difficult to predict at this stage. There are other deep-rooted reasons why the talks have been unable to conclude successfully and on schedule.

The main reasons are: The major contradiction of the Uruguay Round is that among the developed countries, particularly between the United States and the EC. Along with the detente between East and West, great changes have taken place in the world structure, and the contradiction between the United States and the EC with regard to trade and economic affairs has become more prominent. Both sides have tried to safeguard their respective interests, increasing trade frictions. One of the objectives of the U.S. Government in attending the Uruguay Round is to obtain a reduction in farm subsidies and to reverse its huge financial deficit. The current EC agriculture policy is one of the organization's economic pillars and has been pursued for over 20 years. The idea of reducing farm subsidies is an internal financial question. Moreover, the amount to be reduced is far from the level demanded by the United States. Therefore, it is difficult for both sides to eliminate differences.

Even while participating in the Uruguay Round, some countries have never abandoned their plans to build regional trade zones. For example, the free trade agreement between the United States and Canada came into effect during the Uruguay Round. The talks by EC members on market integration and the agreement signed by the EC and the European Free Trade Association [EFTA] on building an economic zone in Europe were also completed during the Uruguay Round. At the same time, problems relating to market access, lifting of restrictions on service trades, and investment protection among many countries were partially resolved through bilateral talks and consultations. To a certain extent, this exerted an influence on the urgency to resolve problems through multilateral trade talks.

In addition, the major industrialized countries in the West had no room for maneuver in the talks because the United States was under the influence of an economic recession and was preparing for a general election.

If the deadlock in the Uruguay talks continues, it will have bad consequences for world trade and economic development. According to data released recently by the GATT, world trade grew 1.5 percent last year, the lowest level since 1985.

In the present circumstances in which Western countries have not yet completely freed themselves from recession, growth in world trade will lose a driving force if the deadlock at the Uruguay round of talks continues.

Moreover, it may hamper or prolong the pace of economic recovery in the world, particularly in some developed countries. The Germans pointed out that if the talks failed, Germany might quickly lose one million job opportunities, thereby increasing the ever increasing financial burden and worsening the inflation.

Western public opinion believes that if the talks fail, the economy of the world may enter a phase of all-around recession. The deadlock or failure of the Uruguay round of talks will not only be harmful to the reform of the trade system and establishment of a free trade system in the world, but will also lead to the growth of trade protectionism in the United States, Europe, and Japan.

Faced with this prospect, Western analysts and political circles hold that the most harmful consequences resulting from the heavy blow to the world's multilateral trade system would be the escalation of trade protectionism in the West, which might get out of control.

A fierce trade war would inevitably break out between the United States, Europe, and Japan because each would be trying to protect its internal markets, to infiltrate other markets, and to compete for international markets.

Particularly worth noting is the fact that contradictions and conflicts of interests between the United States and Europe could be further aggravated.

The fact that no agreement was reached at the Uruguay round of talks and that no major reform of the world's multilateral trade system was undertaken would seriously hamper the export of farm and industrial products, and this in turn would seriously harm the interests of the developing countries.

As well as all this, following the aggravation of tension in world trade, the major trading countries in the West would be more unwilling to open their markets to developing countries, and it must be pointed out that the removal of obstacles to world trade in textile products and garments was the major objective of the Uruguay talks.

The many kinds of existing agreements on textile products were extended 18 months from the beginning of last

year. They will expire by the end of this year. If the Uruguay talks fail to reach an agreement, the export quotas for textile products and garments of many developing countries will be restricted. The loss resulting from this will be enormous.

Because a deadlock in the Uruguay talks will produce serious consequences, maintaining the system of multi-lateral trade remains in the interests of participants to the talks.

No country is willing to bear the responsibility for the failure of the talks. Therefore, although beset with contradictions, it seems that the Uruguay round of talks will continue.

### United States & Canada

#### Jiang Zemin Meets Visiting Noted U.S. Physicist

OW0506114492 Beijing XINHUA in English  
1123 GMT 5 Jun 92

[Text] Beijing, June 5 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China, met with Professor Tsung-dao Lee of the Columbia University of the United States here today.

Jiang and Lee had a cordial conversation.

Professor Lee, a noted physicist, is here to attend the first East Asia-Pacific-U.S.A. symposium on the physics, testing and technology of superconductor and super electron-positron collider.

Lee is guest of the Chinese Academy of Sciences (CAS).

President of the CAS Zhou Guangzhao was present at the meeting.

#### Revocation of Student Protection Act Demanded

OW0806103892 Beijing XINHUA in English  
1024 GMT 8 Jun 92

[Text] Beijing, June 8 (XINHUA)—The Chinese Government has expressed serious concern about and strong dissatisfaction with the "Chinese Student Protection Act of 1992" recently passed by the Senate of the United States, and has demanded that the act be revoked, according to a spokesman for the State Education Commission today.

In response to a question raised by reporters, the spokesman said: "We maintain that this act, in the form of U.S. domestic legislation, is designed to obstruct Chinese students from returning to China to serve the motherland, thus seriously violating agreements between China and the United States and undermining educational and cultural exchanges between the two countries."

He went on to say, "Some members of the U.S. Congress sponsored the act under the utterly groundless pretext that Chinese students 'would not be safe' and would face

so-called 'political persecution' if they returned to China. It is based simply on the needs of domestic politics of the United States.

"The Chinese side expresses serious concern about and strong dissatisfaction with this," the spokesman said.

He pointed out, "The Chinese Government cares about and treasures Chinese students who are studying overseas and regards them as precious personnel.

"The Chinese Government has time and again said that no matter what their previous political attitudes, all Chinese students are welcome to return to the motherland to serve the country's on-going economic development.

"We mean what we say, and since the second half of 1989 more than 2,000 scholars and students have returned from the United States and have been assigned positions commensurate with their qualifications.

"Well over 5,000 scholars and students have returned from the United States to visit relatives and have their vacations, and have returned to the United States to continue their studies afterwards.

"We demand that the U.S. Government revoke the act by respecting the facts and proceeding from the whole situation of Sino-U.S. relations."

#### Bush, Major Meet, Discuss Rio Summit, Europe

OW0706021592 Beijing XINHUA in English  
0202 GMT 7 Jun 92

[Text] Washington, June 6 (XINHUA)—U.S. President George Bush and British Prime Minister John Major met today at Camp David to discuss issues ranging from the Rio Earth Summit to European security.

At a ceremony welcoming Major and his wife, the two leaders commented briefly on the fact that the day was the 48th anniversary of D-Day, the day when the allied forces landed on the beaches of Normandy during World War II.

Bush said, "it is fitting that the prime minister and I meet on this historic anniversary to talk about our countries' enduring special relations, and the future challenges we face."

Major praised the close alliance forged by the two countries in the past decades and said, "I have no doubt that we will do so again with whatever challenges lie immediately ahead."

U.S. officials said the Bush-Major talks will cover the environmental-protection summit in Rio de Janeiro, where the United States has been criticized, even by its European allies, for watering-down a treaty on global warming and refusing to sign a second one to protect endangered species.

Both leaders will attend the Rio Summit next week.

They will also discuss aid to the former Soviet republics, the violence in Yugoslavia, European integration, and the U.S.-European dispute on farming subsidies, which has been the major obstacle to concluding the latest round of global trade negotiations.

Major will stay overnight at Camp David and hold a joint press conference with Bush tomorrow afternoon. He will meet U.S. Vice President Dan Quayle and congressional leaders on Monday and fly to Colombia on Tuesday en route to the Rio summit.

#### **Leaders on Rio Treaty, More**

*OW0706235192 Beijing XINHUA in English  
2326 GMT 7 Jun 92*

[Text] Washington, June 7 (XINHUA)—U.S. President George Bush said today that he has "nothing to be apologetic" for refusing to sign a biological protection treaty despite criticisms by other countries including his European allies.

At a joint press conference at Camp David with British Prime Minister John Major, Bush said that "we do not have an open pocket book...the financing arrangements are too open-ended for us on the biodiversity treaty."

The biodiversity treaty to protect endangered species is one of the documents prepared for the Rio earth summit that both Bush and Major will attend next week.

Bush said that he must also worry about "jobs and people being at work in this country."

Major, who like other European leaders is going to sign the treaty, tried to downplay the differences with Bush, saying that "we have problems with the biodiversity convention, as well as the United States."

"But the difficulties that we instinctively see with them are a good deal less than those that the United States faces," Major said.

Bush and Major had two rounds of talks yesterday afternoon and this morning, which covered a wide range of issues from the Rio summit, the European integration, elections in Czechoslovakia to the aid to former Soviet republics.

Asked whether the British Trident missile system would be included in further arms talks, Major said that the system is "absolutely central to our defense...until the thresholds of nuclear weapons elsewhere are a good deal lower, there's no question of the British Government including Trident in any talks." Bush said that he agreed with the British prime minister's view.

Bush and Major expressed the hope that Czechoslovakia would remain in a federation, instead of being torn apart as indicated by the results of the latest elections.

Major noted that the recent association agreement between the European Community and Czechoslovakia

is "with Czechoslovakia as a whole. So we want to see them form a satisfactory federal government."

Bush and Major also agreed on the need to give the United Nations-mandated sanctions against Yugoslavia time to work. "Obviously, we talked about a wide array of options but we didn't settle on any new course of action," Bush said.

Major was on his way to the Rio summit when he arrived in Washington Saturday for his first meetings with Bush since being re-elected as prime minister.

After meetings with Vice President Dan Quayle and congressional leaders, Major will depart on Tuesday for Colombia en route to Rio de Janeiro, Brazil.

#### **Bush Confident of Election Win**

*OW0806000392 Beijing XINHUA in English  
2336 GMT 7 Jun 92*

[Text] Washington, June 7 (XINHUA)—U.S. President George Bush said today he felt confident of winning the presidential election despite his trailing after the undeclared candidate Ross Perot in a number of polls.

Bush voiced the confidence at a joint press conference after meeting the visiting British Prime Minister John Major at Camp David, Maryland.

Bush said, "I do better when I'm fighting. I do better when I'm coming from behind."

He recalled a 17 point back [passage as received] at these early stages of the 1988 race against Democratic candidate Michael Dukakis. Bush finally defeated the Democrat.

Perot took a 13 point lead over Bush and Democratic candidate Bill Clinton in a recent poll taken by the TIME magazine and the CABLE NEWS NETWORK.

Bush said he discussed with Major the threat posed by Perot, the Texas billionaire businessman who is expected to announce his campaign for the White House later this month.

The president said Major advised him to "just stay with it."

"I don't know that he gave me specific advice on the campaign, but he set an example that I think bodes well for me." Major came from behind to win the British election two months ago.

"It was a wonderful victory and he was not discouraged when polls showed him not winning," Bush said.

Bush said he was "a little surprised" by an increase of jobless by 0.3 percent to 7.5 percent in May. But he noted the total number of jobs went up by some 68,000 despite 9.5 million Americans out of work last month.

"I believe the recovery is at hand and I think we're going to see a second quarter stronger than the first," Bush said.



He said, he was going to try to keep on doing substantive things both in the foreign policy area and domestic and then he would switch over.

"When the time comes and I'll be out there, roll these shirtsleeves up and go to work in the political arena. [sentence as received] And whoever's in there is going to be in for a good battle," the President said.

Bush will go to Brazil to attend the earth summit this week and then take part in the summit of the seven industrialized nations in Munich, Germany in July.

#### **Bush Not Considering Peacekeeping Force for Haiti**

OW0706234892 Beijing XINHUA in English  
2308 GMT 7 Jun 92

[Text] Washington, June 7 (XINHUA)—U.S. President George Bush said today he is not considering sending an international force to Haiti.

Last week, U.S. press quoted unnamed U.S. officials as saying that the U.S. Administration had begun talks on a plan that, for the first time, would involve the dispatch of an international peacekeeping force to Haiti as part of a political settlement restoring the government of President Jean-Bertrand Aristide, who was ousted in a military coup last September.

The U.S. officials said that an international force would be sent to the Caribbean country under the authority of the Organization of American States (OAS) or the United Nations, the press reported.

At a joint press conference with British Prime Minister John Major at Camp David, Bush said "I am not thinking about force and troops at this point" on the issue of Haiti.

"I am hopeful that we can find a way to have the OAS sanctions be effective, to have Aristide returned to power, and to have democracy reinstalled," Bush said.

The OAS embargo against Haiti was imposed last fall but European countries, ignoring OAS appeals, have continued to trade with Haiti, citing international trade agreements to which Haiti is a signatory.

Some U.S. officials believed the Haitian current regime, backed by the military, might have been deposed by now were it not for the continuing shipments of oil provided by European suppliers over the past six months.

Last month, President Bush issued an executive order to ban all foreign ships that violate the trade embargo against Haiti from U.S. ports.

#### **Bush Proclaims National Observation of WW II**

OW0506000692 Beijing XINHUA in English  
2234 GMT 4 Jun 92

[Text] Washington, June 4 (XINHUA)—U.S. President George Bush today signed a proclamation declaring this

week (May 31-June 6) as the national observance week of the 50th anniversary of World War II.

Speaking at the signing ceremony, Bush noted that it was 50 years ago this week "that our forces began what may have been the greatest naval battle of all time, Midway, which turned the tide of World War II."

Bush told generals and lawmakers present at the ceremony that he would fight against deeper cuts in military spending than he has proposed.

"Weakening our defenses during a time of peace is an open invitation to those with the potential to wage war," Bush said, "we must never, ever let America's defenses down."

Bush's remarks followed reports that Defense Secretary Dick Cheney would recommend the President veto the Defense Budget Bill being passed in Congress which would reduce 7 billion dollars from the administration's requirement.

#### **U.S. House Passes Defense Authorization Bill**

OW0606032492 Beijing XINHUA in English  
0313 GMT 6 Jun 92

[Text] Washington, June 5 (XINHUA)—The U.S. House of Representatives today adopted a defense authorization bill which trims "Star Wars" program funding and demands U.S. allies to share greater burden for their defense.

The House passed by 198-168 the bill appropriating 270 billion dollars for the Pentagon in fiscal 1993 beginning October 1. The budget is 11 billion dollars less than what President George Bush has asked for.

The bill would impose a one-year moratorium on U.S. testing of nuclear weapons, provided the former Soviet republics continue their current unilateral ban.

It also cut 1.1 billion dollars out of the 5.4 billion dollars required by the Bush administration for Strategic Defense Initiative.

The house slashed another 3.5 billion dollars from the Bush budget proposal, with the reductions coming from funds used for stationing U.S. troops in Europe, Japan and South Korea.

But the House agreed to provide funds for five more B-2s, bringing up to 20 the radar-evading bombers as required by the White House.

Defense Secretary Dick Cheney said earlier this week that he would recommend President Bush veto the House bill because of its nuclear testing ban and various reductions.



**U.S. Rejects Kuwait Accusation of Interference***OW0606024392 Beijing XINHUA in English  
0025 GMT 6 Jun 92*

[Text] Washington, June 5 (XINHUA)—The U.S. Administration today rejected the criticism by a top Kuwaiti official that the U.S. ambassador to Kuwait had interfered in Kuwait's internal affairs.

In an interview published on Thursday in London, the Speaker of Kuwait's National Council, 'Abd-al-Aziz Masaeed, said that U.S. ambassador, Edward Gnehm, "interferes a lot" by visiting Kuwaiti traditional gatherings where informal political discussions take place and by speaking about "democracy," which has been "lost in America."

"The American ambassador talked to the Kuwaiti opposition and he said you are the only ones now in the field (of democracy). In this way, he is encouraging them," the speaker said.

U.S. State Department press officer, Joseph Snyder, said that "as soon as we learned of these remarks, we instructed our ambassador to raise the matter at the highest level of the Kuwaiti Government" and he (U.S. ambassador) will continue to do that" in Kuwait.

Masaeed's criticism was the harshest attack by a Kuwaiti official against the United States since the U.S.-led coalition forces drove Iraq's occupying army out of Kuwait in the Gulf war last year.

The Kuwaiti speaker also minimized the U.S. role in the war by saying that the United States had sought to protect its interests rather than to do "a favor" for Kuwait.

"America did not bring us back to our country. If it weren't for the wisdom of our government and the help of Saudi Arabia, the (six-nation) Gulf Cooperation Council, Egypt and Syria, we wouldn't have been liberated," Masaeed said.

"America came because of its interests," he added.

**Central Eurasia****Yeltsin Warns of New, Coming Price Increases***OW0806031892 Beijing XINHUA in English  
0304 GMT 8 Jun 92*

[Text] Moscow, June 7 (XINHUA)—Russian President Boris Yeltsin today once again called on the Russians to be prepared for a new round of price hikes arising from oil price rise.

But the president promised prices would come down at the end of this year when situation began to be stable.

At a meeting in Vekaterinburg with leaders of Sverdlovsk region, Yeltsin said that after a large-margin

increase of oil prices on May 18, prices of consumer goods are projected to rise 50 to 70 percent.

Yeltsin also said that the revoked Ural Military Region would be restored.

**Yeltsin Signs Decree on Free Economic Zones***OW0806022392 Beijing XINHUA in English  
0213 GMT 8 Jun 92*

[Text] Moscow, June 7 (XINHUA)—Russian President Boris Yeltsin has signed a decree on the establishment of free economic zones, where preferential economic policies will be adopted, INTERFAX reported today.

Under the decree signed on Thursday, raw materials exported from the zones will enjoy a 50 percent reduction of customs duties.

The decree also requests speeding up privatization in the economic zones and enjoins relevant governmental departments to decide, in two months' time, which enterprises are to go private in the free economic zone.

Earlier reports said Nakhodka in Far East and Kaliningrad in the west were to be among the first to become free economic zones.

**Byelarus Military To Work With Russia, Ukraine***OW0506135592 Beijing XINHUA in English  
1342 GMT 5 Jun 92*

[Text] Moscow, June 5 (XINHUA)—Byelarus needs close cooperation with Russia and Ukraine in the military field, Byelarus' Defense Minister Pavel Kozlovsky said on Friday.

The cooperation could range from training military personnel to providing material and technical resources for its troops, the minister was quoted by BELTA-TASS as saying.

He made the statement after visiting a garrison stationed in the Byelarusian city of Grodno.

Kozlovsky said that his country does not want to break traditionally strong and mutually beneficial relations with friendly Slavic states.

Russia and Ukraine possess considerable military, scientific, economic and technical potential, he added.

The defense minister is in favor of commercial activity by the Army and selling out-dated military property.

He said that it might become an additional resource for the army's finances.

## Northeast Asia

### Beijing Radio: Japan Adopts Troop-Use Bill

OW0606013692 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 5 Jun 92

[From the "News and Press Review" program]

[Text] According to a report by station reporter Zhang Fusheng from Tokyo, amid confusion yesterday morning the International Peace Cooperation Special Committee of Japan's House of Councillors adopted a UN Peacekeeping Cooperation Bill proposed by the government which would enable Japan to send troops overseas.

This is the first law on sending troops overseas enacted by Japan in the past scores of years since the war that runs counter to the spirit of the existing constitution.

At around 0330 [1830 GMT] yesterday, when the chairman of the special committee announced the end of debate and called for a vote on the bill, utter confusion erupted in the meeting hall. Some Diet members protested by holding up banners opposing the forced adoption of the bill.

Opposition parties such as the Japan Socialist Party [JSP] strongly objected to the forced adoption of the peacekeeping force bill, calling it null and void. They again stressed that Japan should make contributions to the international community in non military areas.

The bill will take effect only after it is passed by plenary sessions of the House of Councillors and House of Representatives.

### Bill Called 'Unconstitutional'

OW0506125992 Tokyo KYODO in English 1242 GMT  
5 Jun 92

[Text] Beijing, June 5 KYODO—A Japanese bill authorizing cooperation with UN peacekeeping missions will open the way for the unconstitutional dispatch of troops overseas, China's official XINHUA news agency reported Friday.

The news report, datelined Tokyo, said the peacekeeping bill will allow "the first dispatch of Japanese troops abroad" in the postwar history in contravention of the country's war-renouncing constitution.

It was the first time the Chinese news media have displayed clear dissatisfaction with the Japanese peacekeeping bill.

XINHUA and other Chinese news organizations have only been reporting that a majority of the Japanese people are opposed to the bill.

A House of Councillors special committee approved the peacekeeping bill early Friday amid strong protests and jostling among legislators and Diet security guards.

### Japanese Embassy Protests Detention of Reporters

OW0606123792 Tokyo KYODO in English 1231 GMT  
6 Jun 92

[Text] Beijing, June 6 KYODO—The Japanese Embassy lodged a protest Saturday with the Beijing City Public Security Bureau over the detention of two KYODO News Service correspondents, embassy officials said.

It urged the bureau to explain why the security authorities on Wednesday barred the reporters from covering a pro-democracy protester's activities on the third anniversary of the military crackdown on pro-democracy demonstrators in Tiananmen Square in June 1989, the officials said.

Chinese security officials hustled away the two journalists while they were watching the protester, who unfurled a banner urging Chinese leader Deng Xiaoping to apologize for the Tiananmen Square incident.

They held the two reporters incommunicado for three hours and prevented them from making a telephone call to their bureau in Beijing during their detention.

The embassy officials quoted bureau officials as saying the actions of the two reporters contravened the rules of Beijing City Foreign Affairs Office.

The Chinese officials also said although their actions did not constitute a crime, they interrogated the reporters. "Our actions did not amount to detention or arrest," the bureau was quoted as saying.

The security officials told the embassy that the authorities confiscated the film of the incident from one of the KYODO correspondents, saying the photographing "ran counter to the rules" of the foreign affairs office.

They described the confiscation as "a proper treatment that is in line with Chinese laws," the embassy officials said.

The officials, however, stopped short of explaining what Chinese laws justified the confiscation or the obstruction of foreign correspondents' reporting activities, they said.

On Friday, KYODO formally protested the detention of the two correspondents by delivering a letter to Chinese Foreign Ministry Information Director Wu Jianmin.

"It is extremely regrettable that the behavior of Chinese security authorities impeded the legitimate coverage activities of foreign journalists," said the letter, which was signed by KYODO Managing Editor Michio Yasuda.

The security authorities rounded up at least eight foreign journalists in Tiananmen Square on Wednesday and roughed up a Japanese television network cameraman.

The fate of the lone protester who was arrested at the square, Wang Wanxin, 43, remains unknown.

**CPPCC Committee Leader Meets DPRK Visitors***OW0606044992 Beijing XINHUA in English  
0431 GMT 6 Jun 92*

[Text] Beijing, June 6 (XINHUA)—Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation from Kangwon Province of the Democratic People's Republic of Korea here this morning.

Gu had a cordial conversation with the delegation, which is led by chairman of the Kangwon Provincial Administration and Economic Guidance Committee Han Yong-nam.

Kangwon Province and China's Jiangsu Province forged friendly province-to-province ties in 1984.

The delegation came to China for a visit on May 30 at the invitation of Jiangsu Province. Before coming to Beijing, the delegation visited Jiangsu.

**Kim Il-song, Kim-Chong-il Receive Yang Baibing***OW0506193392 Beijing XINHUA Domestic Service  
in Chinese 1015 GMT 5 Jun 92*

[By reporter Gao Haorong (7559 3185 2837)]

[Text] Pyongyang, 5 June (XINHUA)—Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and president of Korea, had a meeting here today with visiting Yang Baibing, member of the CPC Central Committee Secretariat, secretary general of the Central Military Commission, and director of the General Political Department [of the Chinese People's Liberation Army]; and members of his party.

Kim Il-song warmly welcomed Yang Baibing, saying that the visit would contribute significantly to strengthening the friendship between the Korean and Chinese peoples, and especially the friendship between the armed forces of the two countries.

Kim Il-song said: Korean and Chinese Armed Forces are comrades in arms who have given one another support and assistance in times of difficulty, and their militant friendship is cemented by blood. I am very happy to see our Chinese comrades and comrades in arms.

Kim Il-song also asked Yang Baibing to relay his cordial regards to Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng.

Yang Baibing thanked President Kim Il-song for meeting him and members of his party despite his busy schedule, and he relayed the cordial regards from Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng to Kim Il-song and Kim Chong-il.

Yang Baibing said the main purpose of his visit was to learn from Korean comrades, and to deepen mutual understanding and promote friendship through visiting Korea.

Present at the meeting were Marshal Kim Chong-il, member of the Political Bureau Presidium of the WPK Central Committee, secretary of the WPK Central Committee, and supreme commander of the Korean People's Army [KPA]; Marshal O Chin-u, member of the Political Bureau Presidium of the WPK Central Committee and minister of the People's Armed Forces; and Second Marshal Choe Kwang, member of the WPK Central Committee Political Bureau and chief of General Staff of the KPA; as well as Chinese Ambassador to Korea Zheng Yi.

After the meeting, Kim Il-song hosted a banquet in honor of Yang Baibing and members of his party.

Yang Baibing and his party arrived in Korea for visit on 4 June at the invitation of O Chin-u.

**Mongolian Delegation Visits Inner Mongolia 1 May***SK0406075892 Hohhot NEIMENGGU RIBAO  
in Chinese 6 May 92 p 1*

[Text] A four-member delegation from the Mongolian Academy of State and Social Studies led by President Yadamu Daolegeerzhabu paid a four-day visit to our region beginning on 1 May.

On the afternoon of 3 May, Bai Enpei, deputy secretary of the regional party committee, met with and feted the delegation, and welcomed their visit. Bai Enpei introduced our region's opening up and economic development to the guests.

Jundui Saara, consul general of the Mongolian General Consulate in Hohhot, attended the meeting.

Responsible persons of the regional party school and the regional Foreign Affairs Office were also present at the meeting.

During its visit to the region, the delegation held talks with leaders of the regional party school and relevant teaching research departments and professors and both schools exchanged teaching experiences as well as talked about teaching and scientific research of relevant branches of study. The delegation also visited the library and campus of the regional party school, the regional government auditorium, the Inner Mongolia Qingsong garment manufacturing company, Ltd., the Inner Mongolia No. 2 woolen textile plant, and toured Dashao Temple.

## Southeast Asia & Pacific

### Qiao Shi Receives, Confers With SRV Justice

OW0606143192 Beijing XINHUA in English  
1354 GMT 6 Jun 92

[Text] Beijing, June 6 (XINHUA)—In the endeavor to develop democracy and build up a legal system, China needs to draw on the "useful experiences" of overseas countries, while proceeding from the country's realities, a senior Chinese leader said today.

In the past decade or more of reform and opening, China has made painstaking efforts to perfect its democratic and legal systems, drawing up a basically complete set of laws, said Qiao Shi, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee.

In future China will continue to work hard at developing democracy and beefing up its legal system, Qiao said here this afternoon at a meeting with visiting Chief Justice Pham Hung of Vietnam's Supreme People's Court.

In that regard, Qiao said, "The standpoint or starting point should be the actual conditions of China. Meanwhile, it is also very important to study and draw on the useful experiences of foreign countries."

On Sino-Vietnamese relations, Qiao noted that bilateral ties have gained ground in all fields since the normalization of relations between the two countries. He encouraged the Chinese and Vietnamese judicial sectors to enhance contacts and exchanges.

"It is important for China and Vietnam, two close neighbors which are both carrying out reform and opening, to learn from each other," a Chinese source quoted Qiao as saying.

Pham, expressing happiness at China's achievements in reform and opening, said his group has gained "many good experiences" on this trip.

Continuous growth of relations between the two parties and countries will be conducive to the reform and opening undertakings of both Vietnam and China, Pham said.

### NPC Population, Health Delegation Visits SRV

OW0606032392 Beijing XINHUA in English  
0243 GMT 6 Jun 92

[Text] Beijing, June 6 (XINHUA)—A population and health delegation from China's National People's Congress (NPC) led by Wang Wei, member of the NPC Standing Committee and vice-chairman of the NPC Education, Science, Culture and Public Health Committee, left here by air this morning on an official, goodwill visit to Vietnam.

The delegation has been invited by the Committee for Public Health and Social Affairs of the National Assembly of Vietnam.

Wang and his delegation were seen off at the airport by Zhang Chengxian, member of the NPC Standing Committee and vice-chairman of the NPC Education, Science, Culture and Public Health Committee, and Vietnamese Ambassador to China Dang Nghiem Hoanh.

### Shanghai Firm To Build Philippines Power Plant

OW0606023592 Beijing XINHUA Domestic Service  
in Chinese 1306 GMT 5 Jun 92

[Special dispatch by reporter Lu Xiaoming (7120 2556 2494) for newspapers and broadcasting stations in Shanghai]

[Text] Manila, 5 June (XINHUA)—The Shanghai United Group of Electrical Companies announced here today that it would help the Philippines build a thermal power plant with a total installed capacity of 600,000 kilowatts.

With a contract worth \$340 million, this will be China's largest machinery and electrical equipment export to the Philippines.

Under the project, the Shanghai United Group of Electrical Companies will supply two 300,000-kilowatt thermoelectricity generating sets and undertake the construction. The project will be completed in 1996.

The Philippines currently faces a serious electricity shortage, with the capital city and most parts of Luzon Island experiencing a daily average shortage of 1 million kilowatts.

### Supreme Court Head Hosts Australian Counterpart

OW0706122992 Beijing XINHUA in English  
1213 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, met with and hosted a dinner for visiting Australian Chief Justice Sir Anthony Mason and his party here this evening.

The visitors, who arrived in Beijing earlier today, have come to learn about China's legal system and exchange views with Chinese colleagues on strengthening cooperation between the courts of the two countries.

During their 13-day visit here, the visitors will tour Beijing, Xian, Shanghai, Hangzhou and Guangzhou.

Ren and Sir Anthony Mason will hold talks tomorrow.



## Near East & South Asia

### Vice Foreign Minister, Egyptian Minister Meet

NC0406152492 Cairo MENA in Arabic 1134 GMT  
4 Jun 92

[Text] Beijing, 4 Jun (MENA)—Ambassador Mukhlis Jubbah, assistant foreign minister for Asian affairs, has emphasized Egypt's interest in ongoing events in Bosnia-Herzegovina and the need to end the massacres of Muslims and others in this republic.

Ambassador Jubbah made his remarks during talks with the Chinese deputy foreign minister today. They discussed the new world order, the Nonaligned Movement's future, changes in East Europe, and the ongoing peace efforts to reach a lasting and just Middle East settlement. The talks also touched on Egypt's role in promoting the peace efforts in the Middle East based on land for peace. The two sides exchanged views on the Libya-Western crisis and agreed on the need to strengthen relations between Egypt and China in all fields.

Ambassador Jubbah is currently touring Asian countries to bolster Egypt's relations with them and to gain their support for Egypt's position on various issues.

### Li Ximing Receives Indian Communist Party Group

OW0606125992 Beijing XINHUA in English  
1214 GMT 6 Jun 92

[Text] Beijing, June 6 (XINHUA)—Li Ximing, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with a delegation of the Communist Party of India (CPI) here today.

The delegation, which is headed by A.S. Malhotra, secretary of the CPI National Council and member of the Central Executive Committee, arrived in Beijing June 3 on a visit to China at the invitation of the International Liaison Department of the CPC Central Committee.

During the meeting, Li Ximing and the Indian visitors shared the similar view that the Sino-Indian relations have been remarkably improved in recent years. Li highly appreciated the efforts the CPI has made for the improvement of the relations. Malhotra said that his party hopes the relations between the two countries and between the CPI and CPC would continue growing.

The Indian delegation will leave Beijing tomorrow to visit Nanjing, Zhenjiang, Wuhan and Guangzhou before concluding its visit to China.

### PLA General Receives Pakistani Medical Group

OW0706131492 Beijing XINHUA in English  
1255 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—General Zhao Nanqi, director of the General Logistics Department of the Chinese People's Liberation Army (PLA), met here

today with a visiting military medical delegation headed by Lieutenant General Mahmud Ahmad Akhtar, surgeon general of the Pakistan Armed Forces.

The delegation has toured Beijing, Chongqing, Guangzhou and Shenzhen, since it arrived on May 28. The Pakistan visitors are here to learn about PLA's medical work and explore possibilities of academic exchanges and cooperation with the PLA in the medical field.

The group is scheduled to leave for home tomorrow.

### Yang Shangkun Receives Nepalese Speaker 6 Jun

OW0606094492 Beijing XINHUA in English  
0929 GMT 6 Jun 92

[Text] Beijing, June 6 (XINHUA)—Chinese President Yang Shangkun said today that Sino-Nepalese bilateral relations have grown smoothly since the establishment of the diplomatic ties. He sincerely hoped China and Nepal will continue their friendly relations and build the respective countries into more powerful ones.

Yang made his remarks during a meeting with the speaker of Nepal's House of Representatives, Daman Dhungana, in the Great Hall of the People here today.

Chinese leaders of the older generation and leaders of today had visited Nepal, which indicated that the two countries have enjoyed long-term and traditional friendly relations, according to a Chinese official attending the meeting.

Nepal has achieved great progress under the leadership of King of Nepal Birendra, Yang was quoted as saying, adding that "we appreciate your country's achievements."

"Both China and Nepal have a common task," he continued. "China is now developing its overall economy and so is your country."

China's main task now is how to develop its economy even faster, said Yang. He added that the "economy's development not only needs a favorable international environment but a stable domestic situation as well."

China has been making efforts for a favorable international environment and domestic stability, Yang was quoted as saying. "We are deeply aware that the economy will not experience great progress without a stable domestic situation."

Generally speaking, China's current economic development is satisfactory, said Yang.

It is natural that China as such a large country will encounter difficulties while it carries out economic construction on a large scale, said Yang. He added that China's economy will surely make great progress so long as the people as a whole make a combined effort.

During the meeting Dhungana thanked China for its stress on Nepalese achievements, saying that the

exchange of visits and talks between respective leaders will contribute to the development of bilateral friendly relations.

Nepal and China are close friends and Nepal attaches great importance to the bilateral relations, said Dhungana. He added his delegation aims to learn more about China's economic construction and "there are many things in China which are worth our studying."

He briefed his hosts on political changes in Nepal.

Yang asked the speaker to convey his best regards to King Birendra of Nepal and also expressed the hope that the king will pay a visit to China.

#### **Nepal Not To Harm PRC Interests**

OW0606132892 Beijing XINHUA in English  
1249 GMT 6 Jun 92

["Nepal Will Not Harm China's Interests"—XINHUA headline]

[Text] Beijing, June 6 (XINHUA)—Daman Dhungana, speaker of the House of Representatives of Nepal, said today that Tibet is an autonomous region of China, and the stance of the Nepalese Government is to stop anybody in Nepal engaging in any activities against the interests of China.

In an interview with XINHUA here this afternoon, Dhungana said that Nepal is a peace-loving country and China is a neighbor of Nepal. It is Nepal's desire to develop its friendly relations with China.

The visitors came to China on Tuesday at the invitation of the Standing Committee of China's National People's Congress.

Dhungana said the delegation's current visit is aimed at enhancing friendly relations between the two countries.

He said bilateral relations should be developed and strengthened; in particular, exchanges of visits and strengthening of contacts are needed between the two parliaments.

In the current rapidly changing world situation, the speaker said, the future of bilateral relations is bright.

Dhungana and his party visited Tianjin before their arrival in Beijing Thursday. Speaking of his impressions of China, Dhungana said his party had seen with their own eyes that China's efforts for modernization are paying off.

He added they have also seen that the reform and opening policy have had a great impact on various aspects of Chinese life.

The Nepalese guests are scheduled to tour Shanghai, Hangzhou and Guangzhou during their stay in China.

#### **East Europe**

##### **Bosnia Hercegovina Combatants To Open Airport**

OW0506235092 Beijing XINHUA in English  
2300 GMT 5 Jun 92

[Text] United Nations, June 5 (xinhua)—The warring parties in Bosnia and Herzegovina have agreed to reopen Sarajevo airport to facilitate the delivery of humanitarian assistance to the people there.

The U.N. secretary-general has informed the Security Council that an agreement in principle was reached among the three hostile parties in the republic to reopen the airport for the delivery of humanitarian supplies and related purposes under the exclusive authority of the United Nations. Francois Griliani, spokesman for the U.N. chief, told reporters this afternoon.

He said the agreement came after three days of talks between Civil Affairs Director Cedric Thornberry and Chief Military Observer John Wilson of the U.N. Protection Force in Yugoslavia (UNPROFOR) and representatives of the presidency of Bosnia and Herzegovina, leaders of the Croatian Democratic Party and leaders of the self-proclaimed Serbian Republic of Bosnia and Herzegovina.

But the U.N. role is subject to the approval of the Security Council as U.N. troops, military observers, police and technical personnel and equipment are required to implement the agreement, the spokesman noted.

He said the secretary-general will be asking the Security Council to take the necessary decisions to enlarge the mandate and composition of UNPROFOR, which has now more than 14,400 personnel, in order to perform the new tasks.

Under the agreement, which has been fully and formally endorsed by the presidency of Bosnia and Herzegovina and accepted but not yet signed by the Serbian side for technical reasons, UNPROFOR will take over the airport and operate it using as far as possible the present employees at the airport to perform the functions.

The physical security of the airport and its environs will be the responsibility of UNPROFOR and all anti-aircraft systems will be withdrawn from the range of the airport and its approaches and placed under UNPROFOR supervision to ensure security of coming aircraft, Griliani said.

The secretary-general has asked UNPROFOR Commander Satish Nambiar to continue to explore the possibility of a broader security zone encompassing the city of Sarajevo as a whole in the second phase of the negotiations.

The reopening of Sarajevo airport has been called for by the Security Council in order to provide humanitarian assistance to the republic, which has been in the grips of a

civil war since February, when Moslem Slavs and Croatians there voted for independence from Yugoslavia.

More than 5,000 people have been reportedly killed and about 1 million others displaced in the hostilities.

Meanwhile, the spokesman said the Marshal Tito Barracks in the capital of Bosnia and Herzegovina has been unblocked and about 700 personnel of the Yugoslav People's Army (JNA), including cadets and their families, who had been blocked there by Croatian and Moslem Slav forces, have been safely withdrawn.

The troops, whose withdrawal was monitored by UNPROFOR, which has its headquarters in the city, left their heavy weapons behind, Giuliani added.

#### **Tito Barracks Evacuated**

*OW0606034292 Beijing XINHUA in English  
0256 GMT 6 Jun 92*

[Text] Belgrade, June 5 (XINHUA)—Hundreds of troops of the Yugoslav Armed Forces, along with cadets and dependants, were evacuated uneventfully from the Marshal Tito Barracks in Sarajevo today, leaving no Yugoslav soldiers in war-torn Bosnia-Herzegovina.

The evacuation was made possible after an agreement signed between Yugoslav military representatives and the Muslim-Croatian authorities, TANJUG news agency reports.

A convoy of 237 buses, lorries and army vehicles with the 817 evacuees arrived safely in Lukavica, an area controlled by Serb militia, before heading toward Yugoslav territory under a U.N. escort and monitored by units of the Bosnian Interior Ministry.

The evacuation had been delayed on several occasions by disagreements between the warring sides in Sarajevo over the possession of heavy weapons inside the barracks.

The Yugoslav Federal Presidency in a statement yesterday blamed both the ethnic Serbs and the Muslims in Bosnia for sabotaging the evacuation.

The statement said the Muslims failed to create proper conditions for a safe evacuation, while the Serbs paid more attention to the heavy weapons rather than the safety of personnel in the barracks.

It is believed that safe evacuation was offered on the condition that the heavy weaponry be left behind for the Bosnian Muslim-Croatian forces.

Although press reports in Belgrade hailed the safe evacuation from Sarajevo, anxiety remains over the further worsening of the situation in Bosnia-Herzegovina.

Radio Sarajevo says shooting broke out again in the city this evening, and clashes between ethnic Muslim-Croatian forces and local Serbs are increasing in central Bosnia.

President Alija Izetbegovic of Bosnia-Herzegovina said today he was against the division of his country according to its different ethnic groups, and the EC-sponsored talks on the matter had become meaningless.

The Yugoslav Foreign Ministry in a statement today warned of possible fresh sabotage in Bosnia by those who did not like to see peace return to the republic.

#### **Yugoslavia Seeks End to Sanctions**

*OW0606042192 Beijing XINHUA in English  
0337 GMT 6 Jun 92*

[Text] Belgrade, June 5 (XINHUA)—The Yugoslav Federal Presidency urged the United Nations Security Council to convene a session on lifting the sanctions against Yugoslavia, TANJUG news agency reports.

In a letter to U.N. Secretary General Boutros Boutros-Ghali, the Presidency says Yugoslavia will firmly abide by Resolutions 752 and 757 of the U.N. Security Council.

The Presidency says that Yugoslavia will respect the territorial integrity of Bosnia-Herzegovina and that Yugoslavia has no territorial ambitions.

Yugoslavia will strive to facilitate a ceasefire within the territory of Bosnia-Herzegovina and calls on ethnic Serbian military forces in Bosnia-Herzegovina to end their attacks on Sarajevo and other cities and towns.

The Presidency asks the U.N. peacekeepers to take over the Sarajevo airport for transportation of humanitarian aid materials.

Meanwhile, the Presidency calls on the U.N. to exert similar pressures on ethnic Muslim and Croatian military forces.

Yugoslavia will take more measures to withdraw its citizens and soldiers from Bosnia-Herzegovina.

It proposes that Russia and the United States, with support of the U.N., supervise all military forces in Bosnia-Herzegovina.

The Yugoslav Presidency expresses its support for the Security Council's call for disbanding all illegitimate military forces and the presence of U.N. observers in the bordering areas between Serbia and Bosnia-Herzegovina.

Yugoslavia is opposed to forced migration of citizens and agrees to respect the rights of different ethnic minorities, the Presidency says.

It adds that only political consultations among the three ethnic groups in Bosnia-Herzegovina can lead to a peaceful solution.



The conflict is among the three ethnic groups, the Presidency stresses, and Yugoslavia is not a warring party and has limited influence on the situation in Bosnia-Herzegovina.

In another development, Dusan Vlatkovic, head of the Yugoslav People's Bank, urged Yugoslav citizens today to practice strict economy and use raw materials, petroleum and other financial resources on a rational basis.

#### **XINHUA Roundup Views Fighting in Sarajevo**

*OW0806032792 Beijing XINHUA in English  
0304 GMT 8 Jun 92*

[Roundup: "Escalated Fighting in Sarajevo Dims Peace Hope"]

[Text] Belgrade, June 7 (XINHUA)—The fighting in Sarajevo over the weekend, which left 30 people killed and more than a hundred wounded, dimmed the hope for peaceful settlement to the Bosnia-Herzegovinan crisis.

According to a Sarajevo radio report, Serb paramilitary forces from surrounding mountains pounded the Bosnian capital with heavy artillery, rockets and mortar for much of the weekend, killing at least 30 people and wounding more than 100.

The night sky was lit by burning buildings and explosions in one of the worst weekend fightings since the outbreak of the civil war in newly-independent Bosnia-Herzegovina in March, the radio said.

Some 5,700 people have died in Bosnia and more than 1 million have fled their homes, the worst exodus of refugees in Europe since the Second World War.

TANJUG NEWS AGENCY quoted Serbian sources as saying 71 Muslim and Croat soldiers were killed on a battlefield near Zvornik on Bosnia's Drina River border with Serbia after fierce pre-dawn fighting Sunday.

Bosnian defense official Dragan Marjanovic said 5,000 shells had pounded Sarajevo since the Yugoslav Federal Army claimed to have withdrawn from the Marshal Tito Barracks Friday, leaving a number of heavy weapons and tons of other military supplies.

Few citizens ventured out after nearly 24 hours hiding in basements. Streets were littered with rubble, glass, downed power lines and occasional patches of dried blood, witnesses said.

Rockets hit the twin, 20-story Unis Trading Company office towers, a symbol of Sarajevo's skyline. Flames spewed all night from the top 11 floors of one tower.

A UN-mediated agreement for reopening the Sarajevo airport to send in relief supply was not implemented, dashing the glimpse of hope for peace negotiation.

The media of conflicting sides accused each other of pounding residential areas and violating truce accord.

Bosnian President Alija Izetbegovic visited the bombed areas at noon today. He vowed never to negotiate with "the aggressors" but would fight on until the whole territory was liberated.

Leader of Serb irregular forces Radovan Karadzic condemned President Izetbegovic for rejecting peace talks to be chaired by the European Community. A statement said that the Serbs would "have to fight to safeguard their life and interest."

UN peacekeeping official Cedric Thornberry said he was concerned about the Bosnian situation.

#### **Latin America & Caribbean**

#### **Wu Xueqian Receives Peruvian Politicians**

*OW0606124992 Beijing XINHUA in English  
1213 GMT 6 Jun 92*

[Text] Beijing, June 6 (XINHUA)—Wu Xueqian, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with Raul Diez Canseco and Edmundo Del Aguila Morote, leaders of the Peruvian Popular Action Party, here today.

Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the CPC Central Committee, was present.

The Peruvian visitors arrived here yesterday on a visit at the invitation of the International Liaison Department of the CPC Central Committee.

#### **Agriculture Group Leaves Argentina for Cuba**

*OW0706015492 Beijing XINHUA Domestic Service  
in Chinese 1007 GMT 6 Jun 92*

[By reporter Lin Minzhong (2651 3046 1813)]

[Text] Buenos Aires, 6 June (XINHUA)—A Chinese agricultural delegation headed by Minister Liu Zhongyi wound up a one-week visit to Argentina and left for Cuba on 6 June.

During their visit here, the Chinese delegation held separate meetings with Argentine Minister of Economy, Public Works, and Services Domingo Cavallo; State Affairs Secretary for Agriculture, Livestock Farming, and Fishery Raygunaga; and other government officials; as well as entrepreneurs and experts from the agriculture, livestock farming, and fishery sectors.

The Chinese agricultural delegation also visited a freeze-slaughter house and hoof-and-mouth disease vaccine factory in Buenos Aires, as well as fishing vessels and a fishery processing plant owned by the Sino-Argentine Fishery Development Corporation in Madelin Port, Chubut Province.

At the end of the delegation's visit, Minister Liu Zhongyi and State Affairs Secretary Raygunaga signed a letter of intent for testing the safety and effect of a Chinese vaccine for equine infectious anemia virus in Argentine horses, a letter of intent for setting up an Argentine hoof-and-mouth disease vaccine factory in China, and a memorandum on establishing offices for long-term contacts between the Chinese Ministry of Agriculture and

the Argentine State Affairs Secretariat for Agriculture, Livestock Farming, and Fishery.

At the invitation of the Argentine State Affairs Secretariat for Agriculture, Livestock Farming, and Fishery, the Chinese agricultural delegation arrived in Argentina on 1 June after visiting Colombia.

## Political & Social

### Reportage Views Dissident Dai Qing's Return

#### Says 'Looking Forward' to Trip

HK0506103692 Hong Kong THE STANDARD  
in English 5 Jun 92 p A-3

[By Rain Ren]

[Text] Dissident journalist Dai Qing, tired and sick, said yesterday she was looking forward to going home to the mainland for a rest.

Ms Dai, who was refused a visa into China last Saturday [30 May], was bed-bound in Hong Kong and feeling unwell.

Her poor health kept her away from pro-democracy activities although she said she would attend a press briefing today.

Talking to THE STANDARD on the phone in a weak voice, the former GUANGMING DAILY [GUANGMING RIBAO] reporter said she was happy to be able to go home on Sunday.

She said she had influenza and was running a fever.

"I talk too much these days," she said. "I repeated the same thing again and again, democracy or 4 June. [sentence as published] I want to have a rest and go home."

She was worried her illness would prevent her from going home.

Ms Dai, who is completing a one-year fellowship at Harvard University, was granted a seven-day visa to stay in Hong Kong after she was refused entry into China on returning from the United States.

She was allowed to return to the mainland after Premier Li Peng intervened in the matter.

Ms Dai left China three months ago for Harvard after spending a year in jail in Beijing following the 4 June pro-democracy crackdown.

#### Calls for Resolving 4 Jun 'Complex'

HK0606063892 Hong Kong MING PAO  
in Chinese 6 Jun 92 p 2

["Special Dispatch": "Dai Qing Says, 4 June Incident Can Never Be Forgiven, Calls on Beijing To Resolve '4 June Complex'"]

[Text] When the world was commemorating the third anniversary of the 4 June incident, Dai Qing, Beijing's famous female journalist visiting Hong Kong, in her persistent outspoken attitude, stated that the massacre and suppression three years ago could never be forgiven. She called on the Beijing authorities to resolve "the 4

June Complex"; at the same time, she expressed the belief that the prospects of China's reform and opening up are hopeful and expressed the hope that Hong Kong people will work hard to persist in press freedom.

Yesterday, when asked by Hong Kong media about her experience on being rejected reentrance to the PRC, she laughed and said: "Should an ordinary Chinese citizen like me (she is free of any professional titles today) have involved the Chinese premier's personal sanction on visiting family inside China, would it not have been too tiring and too exhausting for the Chinese Government!"

When asked whether or not she would forgive the Chinese authorities now that they have changed their minds about her reentrance in Beijing, Dai Qing solemnly stated: "The word forgive should not be used arbitrarily; for example, the 4 June massacre that took place three years ago can never be forgiven."

When asked about her view on "Deng, the Whirlwind," Dai Qing said, "With pleasure, I welcome the speeches and behavior of any leading member promoting reform and opening up." Dai Qing believed that although China remains a state characterized by one-party dictatorship and the rule by man, it is making progress along the direction of the rule by law, reform, and opening up; therefore, China's future is very hopeful.

Regarding the eventual fulfillment of her homecoming wish, she expressed her thanks to many personalities for their enthusiastic help, and her appreciation to the Hong Kong Government for granting her a week stay in the territory last Saturday, which made it possible for her to wait until Beijing changed its mind. She laughed and said: The Chinese Government should in fact appreciate the Hong Kong Government! She expressed the belief that the decisions of both the Hong Kong and Chinese Governments were the consequence of complying with public feeling. That demonstrates the demand for basic human rights is rational, and righteousness has won victory.

Da Qing stated that after the Chinese authorities rejected her reentrance to China last Saturday [30 May], she hoped that the Hong Kong Immigration Office would grant her a one-night entrance visa so she could take a bath and meet some old friends; much to her delight, Hong Kong official officially informed her at 2330 that she was granted a one-week visa in Hong Kong. Over the past few days, when she appeared on the streets in Hong Kong, some Hong Kong residents, strangers who recognized her, have expressed their wish for her smooth homecoming. Dai Qing expressed her thanks for Hong Kong people's concern for her and believed that such sympathy and sense of righteousness of the Hong Kong people have contained concern over their own fate after 1997: "Is it not factual that people will still be tormented even if everything is done according to law?"

**Hong Kong People Must Insist on Press Freedom**

When talking about her impressions on Hong Kong, Dai Qing said that to her mind, the sharpest contrast between Hong Kong and the mainland lay in the difference in popular accessibility to news resources. In Hong Kong, the world's most abundant news resources are within reach to the man on the street; whereas on the mainland, the accessibility to news resources is in proportion to one's rank, a practice that is the greatest misfortune of the mainlanders. She hoped Hong Kong people would work hard to persist in freedom of the press.

Dai Qing said that Hong Kong is a city with forests of tall buildings on very costly land; even so, it has preserved one-third of the land to be its green suburban parks. This made her associate with the fact that some Beijing parks have been occupied by official organs since 1949. She expressed the hope that Hong Kong people would fight for their right to sustain the remaining green areas.

Regarding recent different views about her in Hong Kong, Dai Qing said that she did not mind, and added: "We may put it that the coexistence of different views is a point to Hong Kong's credit. It is so different from the mainland, where no different opinions are allowed even on an issue like the Three Gorges project!"

Dai Qing will take a CAAC [General Administration of Civil Aviation of China] noon flight to Beijing tomorrow to spend her summer vacation and is scheduled to return to the United States to further her studies at Harvard. She will return home for good by the end of this year and looks forward to returning to her post as journalist at GUANGMING RIBAO. When asked whether or not she worries about what will happen to her in China in the days to come, this 50-year-old woman intellectual said: "I have spent the first half of my life in suffering and turmoil, and I am mentally prepared for anything."

**Arrives, Declares Human Rights 'Victory'**

HK0806013792 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Jun 92 p 1

[By John Kohut in Beijing and Daniel Kwan]

[Text] Dissident journalist Dai Qing arrived home in Beijing yesterday and declared a human rights victory in getting the Chinese Government to reverse its earlier decision barring her from her own country.

"I'm very happy because, while of course it was wrong for CAAC [Civil Aviation Administration of China] to prevent me from boarding the plane on May 30...the Chinese Government has changed its measures. I think this is very good," said Ms Dai, speaking at the top of her voice as she wrestled with plain-clothes security agents trying to keep her from speaking with a swarm of reporters.

Before her departure from Hong Kong, Ms Dai had said she intended to write about her ordeal in Hong Kong and have it published in China.

"Yes, I will write about what happened to me. There is no problem for me to write about this and I can do it very quickly. But the problem is whether they would publish my articles," she said.

Ms Dai, who had been studying at Harvard University on a Nieman Fellowship since January, and who intends to go back to complete her academic work this autumn, arrived in Beijing in mid-afternoon.

Reaching the baggage claim area, she waved to her husband and daughter standing beyond the glass barriers at the exit. A customs officer gave her bags a thorough search which lasted for nearly a quarter of an hour before allowing her to leave. At one point she held up and waved a stuffed Garfield toy.

At the exit, she was taken in hand by a plain-clothes security agent who, along with dozens of others like him, tried to prevent her from speaking with journalists.

"With each mishap, the Chinese Government makes some progress. Everyone should, after seeing their progress, encourage their progress," Ms Dai said after a tussle from the airport building to the car park.

The Chinese Government had attached no conditions to her return to China, she added.

"I'm a citizen. I can return to my country legally, and if my passport and visa are legal, I can leave my country legally. I hope everyone will have trust in this," she said as security agents pushed her, her husband, Mr Wang Dejia, and 24-year-old daughter, Ms Wang Xiaojia, into a waiting car.

In the confusion at Beijing airport, a friend who had planned to ride into town with Ms Dai and her family was left stranded. The friend, who was carrying a huge Snoopy doll which Ms Dai purchased in Hong Kong, said the dissident journalist had slept during most of the flight from the territory to Beijing.

Asked if Ms Dai was nervous, the friend said Ms Dai normally concealed such feelings. "She is someone who prepares for the worst but expects the best," the friend said.

**Reporter Describes Detainment at University**

HK0506110392 Hong Kong SOUTH CHINA  
MORNING POST in English 5 Jun 92 p 8

[By John Kohut in Beijing]

[Text] Just because a door is open and unguarded in China, it does not mean you are allowed to enter.

This is what I discovered on the night of June 3 when an Agence France Presse correspondent, Willie Brent, and I went in to the Politics and Law University by a side entrance to the campus.



It was perhaps the only gap in the massive wall of security police put up around university campuses in Beijing on the anniversary of the 1989 massacre.

Along with a United Press International reporter, we had just come from the Beijing University (Beida) area.

According to one source, Communist Party chief Mr Jiang Zemin had recently told Mr Wu Shuqing, president of Beida, that the situation on campus affected the stability of China.

Police that night were certainly acting as if the entire fate of the country depended on suppressing even the slightest hint of protest at Beida.

It was about 9 am and we decided to check out the situation at two other campuses nearby, the People's University, and Politics and Law University.

Because of the heavy police presence in the entire Haidian college district, we decided it would be easier to go by public bus than my car, which is readily identifiable.

The gates at the first university were heavily guarded, and again we were told no visitors were allowed in that day.

Politics and Law University seemed much more relaxed, and Brent and I entered without any trouble through a back entrance, which officials later told us was a rubbish dump.

We took a quick stroll past dormitories. A few students were studying under the lamps, and some traders were selling soft drinks and snacks from outside stalls.

The campus seemed so relaxed that we decided to go out through the main gate. It was a mistake.

Guards asked us if we had registered. We said no, but they let us go, and we walked off to a bus stop with our UPI colleague, who we ran into at the main gate.

A few minutes later, as we waited at the stop, three men from campus security came up and insisted that we go back to the campus to register. A bus pulled up, we got on, but one of the university security men told the driver not to move with us on board. It was 10.15 pm.

They let our UPI colleague stroll off because he had not actually set foot on campus, but there was no way they would allow Brent and myself to go off without registering the fact we had been at Politics and Law.

They took us to their school security office, asked us for our identification cards, promised us registration would be finished within a few minutes, and then went off to hold a meeting.

At 11.25, four policemen from the Beijing city police came to question us in separate rooms, two policemen—an interrogator and a note-taker—to each journalist.

My interrogator wanted an account of all our activities since leaving my office in the early evening.

He even wanted to know why we had chosen to eat at a Cantonese restaurant just outside Beida.

The interrogator told me I had broken a State Education Commission rule which requires foreign correspondents to seek permission from school foreign affairs officials before going to campuses to cover events, and to register before coming on campus to visit an acquaintance.

I had visited college campuses several times over the past few years. Sometimes guards asked me to register, but on other occasions they simply let me go though.

I explained that as a reporter, it was my duty to check on campuses on the June 3-4 anniversary. Surely China had opened up enough to the outside world for officials to understand this, I said.

My interrogator said China welcomed foreigners to report on such things as the Visit China 1992 tourist promotion campaign, and the economy, because China wanted foreign investment. I reminded him I was not in China to carry out propaganda for the Chinese Government.

In the end, I had to sign a summary of the account of the interrogation, and I was able to get them to make amendments where I thought they had been inaccurate. The 3-1/2 page summary said I admitted that what I had done was not allowed according to the rules.

Then they gave me a pad of paper, told me to look at the rules again, and write. I wrote that I had entered from an open and unguarded entrance, and after a five minute stroll, left by the north gate with the intention to report that Politics and Law was "stable".

I pointed out that had they simply let me leave, I would have reported the university was quiet. Now the report would be that I had been detained against my will. Did they not realise this sort of news did China's image no good.

They said I was free to write as I pleased, but they had to enforce the rules.

Their superior criticized me for entering without permission and without registering. He also said that had there been anything missing from campus that evening, I would have been a suspect, but fortunately nothing had gone astray.

Throughout the entire event, the police were polite and even good humoured. They, as I, knew that the incident was more than a matter of regulations. It underscored China's reluctance to open up to the outside world.

It all ended on a friendly note, everybody shaking hands, and the campus security vice-director escorting us out the gate. It was 2.15 and we were thrust on to the dark streets of Beijing, where taxis are rare at such a late hour.

### Wang Juntao, Wife Co-Author Book on Wang's Views

HK0806023892 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Jun 92 p 9

[By Daniel Kwan]

[Text] Hou Xiaotian, the wife of one of China's most famous dissidents, Wang Juntao, has co-authored a book with her husband while he is serving a 13-year prison sentence.

The new book, together with another by dissident editor Chen Ziming, has been published by the Hong Kong-based China-watching magazine CONTEMPORARY [TANGTAI] to mark the third anniversary of the 1989 democracy movement.

Ms Hou's book, entitled "Wang Juntao, His Personalities, Views and His Crimes" is the first literary work produced by the couple since Wang was jailed for being a "black hand" of the student movement.

Chen's book documents the decade of reform in China.

Despite his ordeal in jail, Chen writes that one of the most valuable lessons to be learned by China in 10 years of reform is that different interest groups in society can solve their differences through compromise rather than relying on confrontation.

He also writes about his involvement in the pro-democracy movement and his latest views of the Government.

The Wang book includes articles he wrote as editor of ECONOMICS WEEKLY [JINGJIXUE ZHOUBAO], which was banned by the Chinese Government after the crackdown.

The two dissidents topped a list of political prisoners which was presented to Beijing by foreign governments demanding their release.

### Journal on 14th Congress Personnel Changes

HK0506124692 Hong Kong CHING PAO  
in Chinese No 179, 6 Jun 92 pp 39-41

[Article by Liu Yen-pin (0491 3601 2430): "Major Personnel Changes Are Expected at 14th CPC National Congress"]

[Text] The 14th CPC National Congress will be convened in the fourth quarter of this year. To people in China and overseas, the focal point of popular interest in the congress lies in the following two features: 1) the political line; and 2) personnel matters.

In his talks delivered during his southern tour early this year, Deng Xiaoping, the real leader of the CPC, stressed the following key points: The fundamental line of "one center and two basic points" formulated at the Third Plenary Session of the 11th CPC Central Committee should be carried on for 100 years; we must be on the

alert for rightist tendencies but we must mainly guard against "left" tendencies; "more young people should be brought into the leading body"; and "those who persist in reform and opening up will be promoted and those failing to carry out reform and opening will have to step down." In effect, he set the tone for the political, ideological, and organizational lines of the 14th CPC National Congress. Meanwhile, the plenary session of the CPC Central Committee's Political Bureau turned the spirit and essence of Deng Xiaoping's talks during his southern tour into a resolution in March. The party's other powerful leader, Chen Yun, who is also chairman of the Central Advisory Commission, also indicated his support for reform and opening up and the development of Pudong in Shanghai on the eve of "1 May." Hence, the political line and personnel matters to be defined by the 14th CPC National Congress will basically revolve around the question of how to embody the spirit of Deng Xiaoping's talks during his southern tour.

### Deng Xiaoping Reiterates "Guarding Against 'Left' Tendencies"

The political line will be manifested mainly in the political report from the 14th CPC National Congress.

Given that a CPC Political Bureau meeting decided in March to let Political Bureau Standing Committee members Qiao Shi and Li Ruihuan, and Political Bureau alternate member Ding Guangen, assume full responsibility for preparing the political report and personnel matters for the 14th CPC National Congress, and that the drafting report for the 14th CPC National Congress political report has reportedly been reorganized with Ding Guangen named as team leader, sources from Beijing's political circles had already pointed out last month that the political report of the 14th CPC National Congress will not deviate from the spirit of Deng Xiaoping's talks during his southern tour.

The latest news from Beijing claims that the first draft of the political report of the 14th CPC National Congress prepared by Ding Guangen, Wen Jiabao (director of the general office of the CPC Central Committee) has already been completed. Having read it, Deng Xiaoping believed that the draft succeeded in underlining the central task and expressed his satisfaction with the report. Sources from political circles noted that this is the first time since the fall of the "Gang of Four," that the first draft of a political report for a CPC party delegates' congress has been deemed satisfactory.

Sources also said that Deng Xiaoping reiterated the problem of "guarding against 'left' tendencies." Deng stated: The "left" tendencies in the ideology within the party should be cleaned up. Are formalism, bookishness, and dogmatism not "left" tendencies? Fear of making mistakes, fear of losing one's position, preferring to shout empty Marxian slogans rather than carrying out practical work—are these not "left" tendencies? Picking up the book to make accusations today

and criticisms tomorrow—are these not “left” tendencies? I think they are all “left” tendencies. This problem must be resolved repeatedly.

Is it Deng Xiaoping's wish that the political report reinforces the definition of guarding against “left” tendencies? This remains to be seen.

#### **Elderly To Withdraw From Political Stage**

As far as personnel appointments are concerned, people in China and overseas are interested in changes in the top level leading bodies of the CPC, government, and army.

Sources from Beijing revealed that, based on Deng Xiaoping's demands that “more young people be brought into the leading body” and that “the old people should voluntarily give way,” the replacement of old leaders by young ones at the 14th CPC National Congress is, generally speaking, inevitable. At that time, the six CPC elderly who are still in power—Chen Yun, Li Xiannian, Yang Shangkun, Bo Yibo, Song Renqiong, and Wang Zhen—should all withdraw from the political stage; important political personalities who are nearly 80 will also have to go; and the younger generation, born in the 1940's and 1950's, will take over.

#### **Additional New Personnel for Central Military Commission**

Specifically speaking, high level military personnel changes are already reported to have begun to take shape because of the two enlarged meetings held by the CPC Central Military Commission at the end of 1991 and in late April this year. The current seven-man CPC Central Military Commission was set up in November 1989 comprising: Jiang Zemin, chairman of the Central Military Commission; Yang Shangkun, first vice chairman; Liu Huaqing, vice chairman; Yang Baibing, secretary general and director of the general political department; plus three members, namely, Defense Minister Qin Jiwei, Chief of General Staff Chi Haotian, and General Logistics Department director Zhao Nanqi. Of these, the 85-year-old Yang Shangkun and Qin Jiwei, who is 78, will retire because of their advanced age. However, Liu Huaqing, deliberately picked by Deng Xiaoping to succeed Yang Shangkun and help Jiang Zemin control the army, will be retained even though he is already 76 years old. Meanwhile, Yang Baibing who has given an outstanding performance and who recently explicitly indicated his intention to “protect and support” the reform and opening up, will most likely be promoted to a position just beneath that of Liu Huaqing. As to who will fill up two vacancies, one should be the future defense minister and the other, the director of the general political department. In case Yang Baibing no longer serves concurrently as the director of the general political department, the new director should get the post.

#### **Who Will Enter Political Bureau**

What kind of changes will take place in the CPC's top organs, the Central Committee's Political Bureau and Standing Committee?

Let us first look at the Political Bureau which presently has 15 members (including one alternate member). Six are also members of the standing committee: Jiang Zemin, Li Peng, Yao Yilin, Qiao Shi, Song Ping, and Li Ruihuan. The nine members are: Wan Li, Tian Jiyun, Li Tieying, Qin Jiwei, Yang Shangkun, Wu Xueqian, Li Ximing, Yang Rudai, and Ding Guangen (alternate member). The latest news claims that Yang Shangkun and Qin Jiwei, the two oldest members, will retire (they will also retire from the Central Military Commission at the same time); Yao Yilin and Song Ping, both 75 years old, may also retire; Li Ximing (secretary of the Beijing Municipal Party Committee) has been asked to retire because of his failure to keep up with the new situation in reform and opening up. Meanwhile, it is possible that Wan Li, who is 76 years old, will be retained because of “necessity.”

How will the Political Bureau vacancies be filled? Reports claim that candidates for the Political Bureau as proposed by different sectors number over 20, including: Zou Jiahua (vice premier), Zhu Rongji (vice premier), Qian Qichen (foreign minister), Wen Jiabao (member of the secretariat), Yang Baibing (member of the secretariat), Liu Huaqing (vice chairman of the Central Military Commission), Ding Henggao (minister of the Commission of Science, Technology, and Industry for National Defense), Chi Haotian (chief of general staff), Xu Xin (deputy chief of general staff), Chen Jinhua (minister of the State Commission for Restructuring Economy), Song Jian (minister of the State Science and Technology Commission), Chen Xitong (mayor of Beijing Municipality), Wu Bangguo (secretary of the Shanghai Municipal CPC Committee), Xie Fei (secretary of the Guangdong Provincial CPC Committee), Tan Shaowen (secretary of the Tianjin Municipal CPC Committee), Quan Shuren (secretary of the Liaoning Provincial CPC Committee), Chen Huanyou (secretary of the Jiangsu Provincial CPC Committee), Hu Jintao (secretary of the Tibet Autonomous Regional CPC Committee), Wang Zhaoguo (director of the State Council Office of Taiwan Affairs), and Hu Qili (deputy minister of Machinery Industry). Sources claim that those most likely to enter the Political Bureau are: Zou Jiahua, Zhu Rongji, Liu Huaqing, Yang Baibing, Qian Qichen, Wu Bangguo, Chen Xitong (possibly to replace Li Ximing), Song Jian, and Hu Qili (who was stripped of his posts as member of the CPC Central Committee's Political Bureau Standing Committee, member of the Political Bureau, and member of the Secretariat at the Fourth Plenary Session of the CPC Central Committee in 1989).

#### **Deng Xiaoping Praises Hu Qili**

The apparent rise in Hu Qili's political fortunes is reportedly connected to Deng Xiaoping's praise of him



in recent talks with people in charge of the preparations for the 14th CPC National Congress. **Deng Xiaoping stated: Hu Qili is still young and has a good foundation both inside and outside the party. He is willing to work, is good at creating new things, and has accomplished quite a number of achievements since the introduction of reform and opening up. He has also corrected his mistakes rather quickly. Why is it that some people seize on something and hold tight to it? Why is it that people who pounce upon the mistakes of others do not have the courage to correct their own mistakes? Summon the courage to go down and listen to the people there! I think Hu Qili is alright.** Deng Xiaoping mentioned that Hu Jintao was also alright.

#### **Will Standing Committee Undergo Personnel Changes?**

What attracts the most attention is whether or not the six-man CPC Central Committee's Political Bureau Standing Committee will undergo personnel changes? According to knowledgeable sources close to the CPC's top hierarchy, following Chen Yun's manifestations on the eve of "1 May," Deng Xiaoping and Chen Yun have reached a consensus on personnel matters at the 14th CPC National Congress. That is, "the Jiang-Li structure will basically remain unchanged." Based on this, it appears that of the six members of the Standing Committee, Jiang Zemin and Li Peng will not be touched and nor will Qiao Shi or Li Ruihuan be removed. The possible changes will occur with oldest members, Yao Yilin and Song Ping. Those likely to be promoted are reportedly Zou Jiahua, Zhu Rongji, and Li Tieying. In line with the consistent practice by Deng and Chen, the composition of the Standing Committee will take into consideration the principle of the balance of power. Hence, who gets in and who leaves is believed to be still under negotiation and no final decision has been taken yet. In addition, one cannot rule out Deng Xiaoping's springing a "dark horse" by then.

#### **Will Central Advisory Commission Be Abolished?**

It is likely that the CPC's Central Advisory Commission will be abolished at the 14th CPC National Congress because Deng Xiaoping once stated that the commission be kept for two terms. Beijing political sources believe that Deng Xiaoping will insist on his proposal for abolition. However, there are still old men who demanded the creation of an advisory team within the Central Committee. Obviously, the debate is still ongoing.

#### **Report Views Deng's Promotion Efforts**

*HK0406032892 Hong Kong THE STANDARD  
in English 4 Jun 92 p A-5*

[Text] Two liberal Chinese leaders closely associated with the disgraced party chief Zhao Ziyang will be promoted in a coming Communist Party meeting, according to Chinese sources.

Vice-premier Tian Jiyun and Machine Building and Electronics Industry vice-minister Hu Qili will get promotions in the 14th national party congress if paramount leader Deng Xiaoping wins his battle against conservatives in the coming months.

A well-placed Beijing source yesterday said Mr Deng was making efforts to promote Mr Tian, a party Politburo member, to the body's standing committee, and to promote Mr Hu to the Politburo. The source quoted Mr Deng saying Mr Tian had contributed a lot to the promotion of the policy of opening the coastal regions to the world in recent years.

Mr Deng praised Mr Hu's initiatives and hard work when he was a standing member of the Politburo before being disgraced over the 4 June crackdown.

The patriarch remarked on the development of China's foreign trade and business, overseen by Mr Tian in past years.

#### **Deng on Future Selection Criterion**

*HK0406042292 Hong Kong CHING-CHI JIH-PAO  
in Chinese 4 Jun 92 p 8*

[Report: "Deng Xiaoping on Personnel Arrangements at 14th CPC National Congress"]

[Excerpt] Sources from Beijing said CPC senior leader Deng Xiaoping recently made a speech on personnel arrangements at the 14th CPC National Congress. Deng said that in the future, when selecting people for the Central Committee, there should not be any excessive demands on their family and political backgrounds. Their problems in history, if any, can be taken into consideration, but should not be regarded as the criterion for selection.

Deng Xiaoping emphasized that those who are selected for the Central Committee should have generally acknowledged political achievements. Politically, they should firmly support the four cardinal principles and firmly support reform and opening up and should not pay attention to only one aspect to the neglect of the other.

Analysts pointed out that these remarks were clearly aimed at creating favorable conditions for Vice Premier Zhu Rongji. In particular, the remarks on "their problems in history, if any," were made in view of the fact that Zhu was labeled a rightist during the "anti-rightist" movement in 1957.

It was learned that during his inspection of the Shoudu Iron and Steel Complex in Beijing last month, Deng Xiaoping also spoke highly of Zhu Rongji. At that time he said: Some people are talking about the economy but know nothing about it. I do not know economics either, but I can understand what people are saying. Unfortunately, some people cannot even understand what people are saying. When we select cadres, we should not merely

see whether they are politically reliable. They must also know economics. Zhu Rongji is one such cadre who knows economics.

Deng Xiaoping also expressed dissatisfaction with the speed of China's economic development. He said: The development of the economy at a rate of 6 percent a year will not do. If we develop at this speed, we will be unable to enter the second stage. Now when we want to enter the second stage, we must rely on the foundation laid in the first stage. The development speed should reach higher than 7 percent and be maintained above this level. [passage omitted]

### State Council Holds 105th Executive Meeting

#### Yao Yilin Chairs; Draft Laws Adopted

OW0506135292 Beijing Central People's Radio  
Network in Mandarin 1030 GMT 5 Jun 92

[From the "National Hookup" program]

[Text] Vice Premier Yao Yilin presided over the 105th executive meeting of the State Council today. The meeting discussed and adopted in principle the draft of the Maritime Law of the People's Republic of China and the draft revisions of the Patent Law of the People's Republic of China.

The PRC draft Maritime Law is intended to handle marine transport and shipping relations, protect the legitimate rights and interests of the parties concerned, and promote the development of marine transport, economy, and trade. Its implementation will benefit the development of China's marine transport and foreign economic relations and trade. The meeting decided to make necessary revisions of the draft and submit it to the National People's Congress Standing Committee for deliberation.

The meeting said: Since it came into force in 1985, the PRC Patent Law has played a positive and important role in encouraging inventions and in promoting China's scientific and technological progress and economic development, as well as in promoting our scientific and technological exchanges, economic relations, and trade with foreign countries. However, during the course of its implementation, some shortcomings and inadequacies have been discovered. Some revisions have to be made to the Patent Law to raise China's patent protection to international standards. The draft revisions of the PRC Patent Law are intended to expand the scope of patent protection, extend patent time limits, provide better patent protection, and improve the procedures for examining and approving patent applications.

#### Part Three of 'Decade of Upsurge' Series

OW3005224492 Beijing Central Television Program  
One Network in Mandarin 1150 GMT 27 May 92

[Documentary: "A Difficult Takeoff"; Part Three of a four-part series entitled "Decade of Upsurge"; filmed and

produced by Xianke Laser Television Company, BAN YUE TAN, GUANGMING RIBAO, and Central Television Station in May 1992; parts 1 and 2 were published in the 3 June DAILY REPORT on pages 22-29]

[Text] In the history of the evolution of mankind, the emergence of states was marked by castles. The birth of cities indicates that mankind has entered an entirely civilized era. In a sense, cities are the window of the overall image of a state or a nation. The development of cities and politics, economy, military affairs, law, religion, culture, education, and science and technology reflects the comprehensiveness and concentration of the relations of production. More than 80 percent of the republic's wealth is concentrated here. These magnificent high-rise buildings, no doubt, are the nerve center of economic operation of modern society. Every threshold, every seal, every mandatory plan, and every form for reporting statistics are as august as a high mountain and manipulate and direct the giant economic machinery of the Chinese nation. [video shows a giant building, its staircase, and interior]

As the chief architect of China's reform and opening to the outside world, Deng Xiaoping, after breakthrough progress in rural reform was made, shifted his sharp vision to the cities, saying that reform should be shifted from the countryside to urban areas. The rigorous reality faced by urban reform is reflected by the partial flaw in this economic machinery. Allocation of funds and materials, as well as the administration of various organizations, through mandatory planning are the two main pillars of China's traditional economic management system. The fundamental defect of this system lies in rejecting and restricting the market mechanism and ignoring the great role of commodity production and the law of value in economic activities, thereby stifling the vitality of socialist enterprises.

Let us talk about an incident in the past that was so funny people did not know whether to laugh or cry. A large enterprise which received a large sum of 10 million yuan from the state each year to reduce its financial deficit submitted a report to a higher authority, requesting that the 10-million subsidy be allocated at the beginning of the year for use in equipment updating and technical transformation. At the same time, it assured the higher authority that the financial deficit would be reversed in the same year and that profits would be made in four years. The answer was that you should receive your subsidy at the end of the year so as not to upset the original plan.

That sounds like a wry joke. The sad thing is, as a result of the conventional pattern of product economy, such anemic enterprises needing help were ubiquitous. Obviously, the poison of inertia had found its way into the marrow of collective enterprises. [video shows compressing, telephoto shots of a thoroughfare with serious traffic congestion, buses jammed with passengers, and sidewalks packed with pedestrians]

History could not afford to wait. The CPC Central Committee's Decision Concerning Economic Restructuring, which would profoundly affect and change urban people's life for a considerably long time to come, was eventually introduced at the Third Plenary Session of the 12th CPC Central Committee on 20 October 1984. Speaking with the tone of a strategist, Deng Xiaoping admonished all party members that the main objective of restructuring the urban economy was to enable socialist enterprises and other production units to have ample vitality. [video pans the interior of a big hall, showing representatives attending a party session, cutting to show close-ups of Deng Xiaoping putting on reading glasses and representatives raising their hands to support a proposal, and close-ups of Peng Zhen, Qiao Shi, and other CPC leaders reading documents at the party meeting]

The saga [words indistinct] of vanguards may have become historical memories. [video shows high-angle views of the front part of a ship proceeding in a stormy sea] In 1979, eight enterprises, including the Sichuan No. 1 state cotton mill, the Tianjin bicycle plant, and the Shanghai diesel engine plant, became the first enterprises designated to experiment with the reform program of having their operating autonomy expanded. [video pans the interior of a large textile mill with long rows of spindles]

On 13 July 1979, the State Council promulgated five documents, including one entitled: Regulations Governing the Expansion of State Industrial Enterprises' Operating Autonomy. By the end of 1979, the number of enterprises participating in the experiment had increased to 4,200. During the next four years, the number exceeded 6,600. The policy of simplifying administration and releasing government control over enterprises blazed a new trail amidst the chaos of China's urban economic restructuring. [video shows montage of the interior of a high-tech workshop with modern automated equipment, machines making chips, and automated equipment making video discs]

At the juncture when the product economy was about to be replaced by the commodity economy, the impact and alluring power produced by the first breakthroughs were tremendous. One after another, the cities of Shashi, Changzhou, Chongqing, and Weifang became experimental cities carrying out comprehensive reforms. In accordance with their respective characteristics, they proceeded to experiment with restructuring their operations in the spheres of production, commodity circulation and distribution, banking services, science and technology management, labor grouping, and wages, as well as government responsibilities and functions. [video shows a train speeding toward the camera, the landing of jet passenger planes, telephoto shots of the body of a plane with the name and logo of Shanghai Airlines, a jet soaring into the sky, and aerial views of neat and orderly cities and industrial complexes]

The policy of opening the door for lateral economic partnership put an end to the longstanding separation between departments and regions. Enterprises began to select their own partners on the basis of economic benefits. Factory directors and managers, who were seldom known in the past, became celebrities in the limelight. Reformers were honored as new stars of the time. Reform became the cause of brave people. [video shows dozens of horses galloping across a steel bridge with tall buildings of a city in the background, and scenes of horses sprinting in a pasture]

History often has its shocking similarities. [video shows aerial views of terraced fields on high mountains and a river meandering between mountains] Once again, the trail blazed by China's democratic revolution in the 1920's, characterized by rural areas' encirclement of cities, reappeared in China's economic restructuring that began in the 1980's. Contract systems in rural areas were introduced into cities. The Capital Iron and Steel Company took the lead in testing the contract system of delivering progressive amounts of profits to the state, and it became the nation's first large state enterprise committed to contractual operations. [video shows shots of steel workers working with blast furnaces, a steel mill rolling out steel beams, and scenes describing the various aspects of steel production] Over a six-year period, it delivered to the state an aggregate amount of profit taxes exceeding 7 billion yuan, growing at a rate of 20 percent annually. Operating on a contract basis provided a guideline of success not only for the iron and steel complex and other enterprises of the same trade but also for enterprises of other trades. By 1988, various forms of contract operations had been adopted by 93 percent of the nation's large- and medium-sized enterprises. [Video shows close-ups of a steel worker and this passage of text on the screen: "During the four-year period 1978-82, the profits of the Capital Iron and Steel Company grew by more than 100 percent, with an average annual increase of 22 percent." Video also shows shots of a furnace pouring out molten steel, machinery pressing red-hot steel, equipment processing steel products, auto workers laboring on a truck chassis, welders working with their equipment, and machines drilling coal.]

The contract system, which clearly defines enterprises' responsibilities, rights, and benefits, changed their practice of eating from the big pot of the state. Because of this system, enterprises became relatively independent economic entities instead of being nothing but subordinates of administrative authorities. The contract system also changed workers' practice of eating from the big pot of enterprises and aroused workers' sense of responsibility as being the masters of their enterprises. [video shows different scenes of coal miners' operating drilling equipment underground]

People may still remember that RENMIN RIBAO once published a very amusing cartoon: A Western capitalist who lost 500,000 yuan was so upset that he wanted to commit suicide by leaping from a tall building, whereas a Chinese factory director who suffered a loss of 1



million yuan acted calmly and said something very fashionable in those days: "Well, I paid my tuition." [video shows close-ups of newspaper pages rolling off a press, then cuts to show some people working in a computer room]

Not long afterward, Chinese people could watch from the television the heated arguments between members of the National People's Congress [NPC] Standing Committee when they examined the Law for Bankruptcy of Enterprises. As representatives of legal persons, factory directors, while endorsing the law, strongly demanded autonomy and protested higher authorities' ubiquitous administrative interference. Workers also endorsed the law, but they strongly demanded to act as their enterprises' genuine masters, with the right to select their factory directors who, in turn, should have the right to hire workers they need. [video pans from a chandelier on the ceiling of a conference room down to show close-ups of NPC Standing Committee members He Ying, Cao Yu, and others debating the bankruptcy law]

Apparently, both factory directors and workers began to feel their heavy responsibilities. Chinese people, who were used to eating from the big rice pot with their iron rice bowls, eventually found out with surprise that mismanaged and perennially unprofitable enterprises were really allowed to go bankrupt, close down, or be taken over one after another. [Video shows interior of a congested mess hall, showing medium and close-up shots of people eating their meals. Then the camera cuts to show a large pile of gnarled metals.]

One AP journalist, after visiting a certain city in northeast China, wrote an article for THE NEW YORK TIMES entitled "Mayor Leases out Nearly an Entire City for Economic Interests." The leased-out city as described by the American journalist was Fuxin City in Liaoning. [video shows aerial views of a large and clean industrial complex and a city]

In the spring of 1987, its mayor, Wang Yachen, decided to lease out large parts of the city. As a result, he leased out 911 of the city's 1,264 businesses. The entire city became alive instantly. Department stores in Beijing also tried to lease sales counters to rural enterprises and independent operators. The Xidan Emporium alone leased out 30 percent of its sales counters. Leasing operations soon spread to 25 provinces, municipalities, and autonomous regions in the country and were adopted by nearly 5,000 small- and medium-sized enterprises. [video shows people on a congested street, shoppers at a modern department store, bicyclists and pedestrians on a narrow street with roadside stalls and peddlers, illuminated showcases in which refrigerators and bicycles are on display, and more scenes of shoppers at modern department stores]

Compared with contractual operations, leading operations have further severed the numerous administrative and economic ties between government and enterprises

and enabled enterprises to become independent commodity producers and operators. On the other hand, leasing operations have directly actualized the dominant, master status of all workers in their enterprises. [video shows close-ups of female workers' operating looms, sewing garments, and operating textile equipment]

On 25 June 1979, RENMIN RIBAO published an advertisement about the readiness of Sichuan's Ningjiang machine-tool plant to accept orders from buyers at home and abroad. That was China's first advertisement that sold production equipment. Since it was published in a newspaper, it was silent, voiceless; but it had explosive power. It solemnly declared that production equipment was also a form of commodity. [video shows folded newspapers rolling off a press, shots of people watching a huge screen displaying different types of automated equipment, and shots of neatly dressed young men who are marching toward the camera with a rocket soaring into the sky in the background]

Seven years later, a person in his early 30's who had completed graduate school and was doing research at the Institute of Economics under the Chinese Academy of Social Sciences had a good conversation with the leader of the State Economic Restructuring Commission on a train traveling on tracks built on the notoriously rugged terrains in ancient Sichuan. The young man presented his new concept of managing assets, pointing out that the key issue rested with how assets are managed and used and not with whether or not they are publicly owned. He also proposed that the right to own enterprises and the right to operate them should be separated. Thus, a new concept of reform was conceived amid the clattering noise between the train wheels and the tracks. [video shows a speeding train crossing a steel bridge and traveling on tracks built between rugged mountains, over deep ravines, and on sprawling desert terrain]

Shenyang, an important industrial city in northeast China, was the first to experiment with the asset management responsibility system. Following its announcement of public bidding, 209 bidders from all parts of the country came to take part in the competition. Following this pattern, a few thousand bidders soon tried to contract for the management of over 100 enterprises in other parts of the country. The plant directors or managers who won the bid must use their color television sets, refrigerators, cameras, and all bank deposits as a risk mortgage. [video shows an aerial view of Shenyang City, newly constructed buildings, and giant modern hotels]

Contracting, leasing, shareholding, and assets managing responsibility systems began to enter the sphere of urban economic restructuring from different angles, exploring a way to change the form of ownership in China. A situation in which different sectors of the economy exist side by side while public ownership as the dominant sector is maintained began to take shape. According to 1990 statistics, the public sector accounted for 56 percent of the city's total industrial output value; the

collective enterprises, 35.4 percent; and individual and private traders and joint ventures, cooperative enterprises, and wholly owned enterprises, 8.6 percent.

During a conversation with foreign guests, Deng Xiaoping pointed out on many occasions that to develop the productive forces, we cannot solve the problem by relying entirely on our past economic structure. We must integrate a planned economy with market regulation and carry out a series of structural reforms. [video shows Deng Xiaoping, standing and surrounded by unidentified Chinese officials; date, occasion not given]

Urban economic reform is a complicated undertaking because a slight move in one part may affect the situation as a whole. It is not as easy as rural reform. The pricing reform that began in 1983 landed us in difficult straits. As prices did not reflect the real value, enterprises found it impossible to engage in fair competition. The vitality initially brought about by the double-track system for prices began to expose the defects of this system following the shortage of raw and semifinished materials and the widening gap between supply and demand. The system created chaos in the commodity distribution system. As a result, successive complaints came from the enterprise contractors. The sharp rise in commodity prices and the reversal in the amount of wages earned by manual and mental workers became society's two hot spots attracting nationwide attention. Both Chinese and foreign economists agreed that price reform was the key to success in China's economic restructuring. Economic restructuring would not succeed without successful price reform. But there was great risk in instituting price reform. Economic restructuring is like a project to tear down an old city and rebuild it. A few years later, its residents will be able to move into spacious, beautiful new houses. However, when the city is being rebuilt, the residents have no choice but to live in simple makeshift tents. This is the pain of reform. The architects of reform have worried whether the masses are able to bear the hardships. [video shows the demolition of old apartment buildings]

It was 1988, the year of the dragon. The people said the year of the dragon was a turbulent year. Sure enough, when China's big ship of reform sailed into this section of the voyage, it met with a tempestuous storm. This ship shook violently, and the Chinese people on the ship cried out in alarm. As a result, long lines of people lined up to withdraw money from banks. The Chinese consumers who had just benefited from the reform and had just been able to earn a little more money were aware that the currency was depreciating. They hastily laid down their work, left their production posts, and rushed blindly to the markets in short supply of commodities to quickly buy furniture, home appliances, household utensils, bed-sheets, quilt covers, salt, soap, and matches. Panic buying occurred in both the urban and rural areas of Shanghai, Beijing, Tianjin, Xian, and Shenyang. [video shows scenes of panic buying at a city]

Finally, the alarm of economic retrenchment was sounded. On 30 August 1988, the State Council held its 24th emergency meeting of the premier's office, at which it adopted a series of important measures to ensure the smooth progress of price reform and to stabilize the market. More than 40 regulations, decrees, notices, and decisions were promulgated by the highest unit of state power and distributed to every province, city, county, township, and enterprise in China. [video shows a closeup of Premier Li Peng chairing the State Council meeting] China's market gradually returned to normal from a chaotic state, and the Chinese people, who had calmed down from a confused state, began to think seriously and deeply.

On 26 September 1988, the Third Plenary Session of the 13th CPC Central Committee opened in Beijing; the strategic policy decision to improve the economic environment and rectify the economic order was adopted at the session. [video shows the session in progress, with closeup shots of Li Peng, Wan Li, Jiang Zemin, Li Ruihuan, Zou Jiahua, and Wu Xueqian] Soon, the Chinese people suffered from the hardships of inflation caused by excessive investment in capital construction, the sharp rise of consumption funds, the imbalance between supply and demand, and contradictions among various sectors of the economy. A very abnormal phenomenon—a sluggish market—emerged, but it was by no means created by overproduction.

People stashed their money away and did not purchase anything. Savings deposits totaled 800 billion yuan nationwide, and disposable cash came to approximately 200 billion yuan. Production funds were in short supply, and there were massive discount sales. Factories stockpiled large quantities of finished products. By the end of June in 1990, the total value of stockpiled manufactured goods came to 250 billion yuan. Each day, 200 million yuan's worth of unsalable goods made their way into warehouses. Large numbers of factories and enterprises were forced to cease production completely or partially. The 100 billion-yuan debt chain kept tightening its grip. Production efficiency continued its slide, resulting in successive negative growth rates of development. The country's economic conditions were extraordinarily acute, causing alarm among economists and politicians alike. [video shows crowds of people inside a bank, shoppers in an open-air market, rows of refrigerators in a shop, money being printing, and a cascading waterfall]

The work of improving the economic environment and restoring economic order proceeded successfully thanks to three years of all-out efforts to overhaul the industrial structure and enliven the market. Inflation was brought under effective control, leading to a sharp fall in the commodity price index. Commodity prices were basically maintained at around 6 percent. In agriculture, bumper harvests were reaped for several consecutive years. Total supply and demand was essentially kept in balance. The economic, political, and social situation tended to stabilize with each passing day, thereby fostering a general climate for further deepening reform and



opening wider to the outside world. [video shows barren hillsides, a harvesting machine at work, and loosening rock under the onslaught of rolling waves]

However, there were startling problems in reality. The profits of enterprises dropped and the stocks of finished products continued to grow. The debt chain remained despite payments on debt. The decline in economic returns was not brought to a stop. Some localities suffered a reduction in financial revenues. These problems, coupled with the outbreak of devastating floods during the summer of 1991, caused direct economic losses totaling 80 billion yuan, increased the budget deficit, and compounded the state's financial problems. Some principal economic relations were not straightened out. [video shows flood ravages]

The crux of these problems lies squarely in the limited vitality and low efficiency of large and medium-scale state enterprises. Deng Xiaoping pointed out: Reform is an entirely new thing. Mistakes are inevitable in carrying out reform. We should not be afraid of such prospects. We should not give up eating for fear of choking and should keep moving forward. [video shows Deng Xiaoping swimming]

Increasing the vitality of state-owned enterprises, especially those of large and medium scale, has always been the centerpiece of the entire urban economic reform program. The CPC Central Committee held a work conference in Beijing from 23 to 27 September 1991. The conference called for giving priority to increasing the vitality and improving the economic returns of large and medium-sized enterprises. On 10 October 1991, the CPC Central Committee invited the leaders of various democratic parties as well as celebrities in society to a discussion session at Huarentang, Zhongnanhai, in the hope of absorbing all useful ideas by listening modestly to the opinions of various sectors. [video shows long shots of a packed hall; cuts to show medium shots of Jiang Zemin, Yang Shangkun, Wan Li, and Li Peng]

The next stage of urban economic reform will move in the direction of changing operational mechanisms so as to let enterprises compete in the market. Urban economic reform is generally aimed at proceeding in the basic direction of gradually instituting a new system of planned commodity economy. [video shows a bird's-eye view of highrise buildings]

China's reform is in its 13th year. It goes without saying that such reform has been difficult. The withered leaves of the old economic system are falling one after another. However, the dike of the system has yet to be breached. The buds of a new economic system are sprouting. The framework of the system, however, has yet to be formed. The spring tide of China's economic reform is gushing forth from the gully between two mountain peaks. [video shows a roaring stream]

The Chinese people can take pride in having opened up a channel through the ice. To our civilized ancient country in the east, we can shout: As the first rays of sun

rise over the horizon, the earth is astir with activity. [video shows a ship plowing through waves]

## Economic & Agricultural

### Li Peng Urges Northwest Development in Meeting

OW0706140292 Beijing XINHUA Domestic Service  
in Chinese 0939 GMT 7 Jun 92

[By Beijing Central People's Radio reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 7 June (XINHUA)—On the afternoon of 6 June at Ziguang Pavilion in Zhongnanhai, leading State Council comrades held a meeting with responsible comrades from northwest China on ways to further the program of reform and opening to the outside world and to accelerate economic development in northwest China. At the meeting, Premier Li Peng exhorted comrades from northwest China not to underestimate local potential, and he encouraged them to proceed from local realities, accelerate their pace in reform and opening to the outside world, and make the most of local strong points. In so doing, he assured them that they would be able to bring their economies to a new level in a better and faster manner.

State Council Premier Li Peng chaired the meeting, which was attended by Vice Premiers Yao Yilin, Zou Jiahua, and Zhu Rongji, as well as Luo Gan, secretary general of the State Council.

Chairman Tomur Dawamat of the Xinjiang Uygur autonomous regional government, Gansu Vice Governor Wang Jintang, Vice Chairman Cheng Faguang of the Ningxia Hui autonomous regional government, Qinghai Vice Governor Wu Chengzhi, Deputy Secretary General Xia Yu of the Shaanxi provincial government, and Political Commissar Guo Gang of the Xinjiang Production and Construction Corps each reported on local efforts to advance the program of reform and opening to the outside world and to accelerate economic development. Tomur Dawamat told the leading State Council comrades that, in a bid to accelerate economic development in the five provinces (autonomous regions) in northwest China, a press conference will soon be held in Beijing to further promote the area to the outside world. He also announced at the meeting that the five provinces (autonomous regions) in northwest China will hold a large-scale trade fair in Urumqi in September of this year. Many Chinese and foreign businessmen will be invited to the trade fair to attend trade talks and engage in economic, scientific, and technological exchanges, Tomur Dawamat noted.

After listening to their reports, Premier Li Peng spoke. He said: We support your efforts to hold the Urumqi trade fair this year. We support the efforts of the five provinces (autonomous regions) in northwest China to

accelerate the pace of reform and opening to the outside world, thereby bringing the greater northwest China's economy to a new level.

Li Peng noted: Northwest China has its own special advantages. Although the economy there is not quite developed, the area has a vast expanse of land and abundant natural resources, and it is a major strategic hinterland of China. Since the implementation of the policy of reform and opening to the outside world, the area's economic development has quickened, which, in turn, has laid down some foundation for further development in the future. In addition, the area is inhabited by a wide variety of ethnic groups, who are industrious, brave, and live together in harmony. The area has broad prospects for development.

Li Peng mentioned: In line with Comrade Xiaoping's important speeches delivered in south China, the central government has decided to adopt some new policies and measures to further expand the program of reform and opening to the outside world, thereby bringing the national economy to a new level in a better and faster manner. The State Council has decided to open some border cities in northwest China—such as Yining, Tacheng, and Bole—wider to the outside world, while capitals of the five provinces (autonomous regions) in northwest China will receive further support from the state in their efforts to develop foreign economic relations and trade. As to the use of foreign capital, our policy is to combine the regional policy with the industrial policy; that is, all major investment projects as well as high- and new- technology projects that fall under national industrial policy and have the state's blessing are eligible for those preferential policies enjoyed by economic and technological development zones, despite their locations.

On the development strategy for northwest China, Li Peng said: This has been incorporated in the "Eighth-Five Year Plan" and the 10-Year Program. Now what we should do is to further perfect and supplement the strategy in light of new developments. To overcome the weak links in northwest China's economy more quickly, the state is now concentrating its effort on the construction of the Baoji-Zhongwei railway and the construction of highways, airports, hydroelectric stations, and thermal power plants in northwest China. The state also is trying to expand domestic and overseas exchanges and enliven the economy to spur on the development of greater northwestern China.

Li Peng urged the five provinces (autonomous regions) in northwest China to grasp the current opportunity and extend their trade, economic, and technological cooperation with neighboring countries, especially Central Asian countries. He said: The market faced by northwest China has tremendous demands. Economically, there exists a very strong complementary situation between China and Central Asian countries. With local strong points and the backing of the rest of the country, there is plenty room for northwest China to develop trade as well

as economic and technological cooperation and exchanges with foreign countries. Once trade and cooperation with neighboring countries become viable, northwest China's economy will develop faster. I would like the five provinces (autonomous regions) in northwest China to further emancipate their minds, change their mentality, make the most of local strong points, and strive to bring their economies to a new high in a better and faster manner.

#### **Zhu Rongji Views Low Commodity Quality Problem**

*HK0706014192 Hong Kong WEN WEI PO in Chinese  
30 May 92 p 2*

[Dispatch by staff reporter Chen Chien-Ping (7115 1696 1627): "Vice Premier Zhu Rongji Urges Improving Commodity Quality"]

[Text] 29 May, Beijing (WEN WEI PO)—Vice Premier Zhu Rongji disclosed the other day that with a view to safeguarding the legitimate rights and interests of Chinese and overseas businessmen, the State Council will issue a special document on launching a nationwide campaign against counterfeit commodities; meanwhile, a special committee will be set up to take charge of commodity quality to keep control over the quality issue year after year.

Authoritative sources here have disclosed that the activity of a "10,000-li journey of quality," which started at the beginning of this year, has laid bare a great number of commodities of inferior quality. Zhu Rongji indicated in a speech delivered the other day that the "10,000-li journey of quality" only revealed trivial matters in soy sauce, cooking oil, sugar, and wine; while major problems still remain deep-rooted and are far from being exposed.

Zhu Rongji said: To put it bluntly, the "debt chains" problem is a credit crisis, because the loss of credit between enterprises and the government will result in a chaotic economic order. In essence, the quality issue is also a credit crisis, because the lack of trust among enterprises themselves and between the enterprises and consumers will result in a situation in which consumers have to be very cautious in buying anything for fear that they will be fooled. This will eventually impair the credit of our country and the Communist Party.

Zhu Rongji indicated: Quality should be regarded as a top priority in our economic work. Those who fail to attach importance to quality are unqualified for the posts of factory director, manager, mayor, or governor. At present, the Chinese Government is trying to resume China's seat in GATT as a signatory state. Once China regains its GATT seat, tariff barriers will be removed and many foreign things will enter China. Under such a situation, failure to improve our own commodities' quality will actually mean handing over on a silver platter the domestic market to others. Zhu Rongji stressed that the days of leading a life with a closed door are already gone, and we are now living in an open world.

No matter from what angle that we judge, we can see that the situation in terms of quality is very grave at the moment and rectification is definitely needed in this field.

Zhu Rongji believed that to solve the quality issue, we must integrate the market competition system with administrative measures and should not overemphasize one at the expense of the other. He cited the domestic market for light industrial goods and textiles. Why does the quality problem still exist at present when a buyers' market has emerged for domestic light industrial and textile products? This is because the market system and operational mechanisms have not yet been respectively, completely set up or transformed. Under current circumstances, government interference, public media supervision, and administrative measures will still prove useful.

Zhu Rongji disclosed work at the next step: All localities and departments will be required to carry out large-scale checkups on quality, set up strict rules and regulations, and give shape to a quality guarantee system. In carrying out quality checkups, we need to pay attention to the rectification and renovation of key products and trades under four categories, including raw and semifinished material, large-scale equipment and original parts, durable consumer goods, and food which will impair people's physical health.

He pointed out: The State Council calls on industrial, commercial, public security, judicial, and commodity inspection departments to make concerted efforts in cracking down on counterfeit commodities and improving commodity quality. Efforts to grasp well the quality issue will constitute an important part of our implementation of the spirit of Deng Xiaoping's remarks.

#### **Zhu Rongji Spurs Study Into Shoudu Steel Reform**

HK0606062192 Hong Kong WEN WEI PO in Chinese  
6 Jun 92 p 2

[Dispatch by staff reporter Ch'en Chien-P'ing (7115 1696 1627): "Zhu Rongji Sends for Central Organ's Heads To Discuss Decentralization at Shoudu Iron and Steel Company"]

[Text] Beijing, 5 Jun (WEN WEI PO)—Authoritative sources here have disclosed that during his inspection of the Shoudu Iron and Steel Plant [SISP], Deng Xiaoping fully reaffirmed the plant's experience in reform. Yesterday, Vice Premier Zhu Rongji called together leaders of various relevant ministries, commissions, and offices under the State Council to carry out discussions at SISP on concrete issues concerning autonomy in three fields, namely, approval on investment projects, foreign economic relations and trade, and fund coordination. It is generally considered that the way the central authorities grants autonomy to SISP in the above three fields will indicate the further development orientation of state-run large and medium-size enterprises.

The central authorities have always attached importance to SISP's experience in reform. Following Deng Xiaoping's inspection trip to SISP, Zhu Rongji called together principal leaders of the State Planning Commission, the Finance Ministry, the Ministry of Foreign Economic Relations and Trade, the People's Bank of China, and the State Commission for Restructuring the Economic System to conduct studies at SISP on a number of key problems currently confronting the plant in its efforts to attain further development, such as approval of investment projects, foreign economic relations and trade, and fund coordination. Zhu Rongji urged all departments concerned to work out and submit to the State Council their respective plans on the settlement of the above problems within a fixed short period of time.

#### **Liaoning Measures To End Enterprise Losses**

HK0606042392 Beijing RENMIN RIBAO in Chinese  
3 Jun 92 p 1

[Dispatch by reporter Jiang Shijie (3068 0013 2638): "Enterprises in Liaoning Province Make Encouraging Progress in Reversing Losses and Increasing Revenues"]

[Text] Since the beginning of this year, the Liaoning provincial government has tied in the work of reversing losses and increasing revenues in enterprises with deepening reform and expediting development, strengthening and deepening the effort of reversing losses and increasing revenues through organizational leadership and policies and measures, and, as a result, halting in a preliminary way the province-wide slide in economic efficiency. The areas in which losses occurred and the amounts of losses for enterprises have dropped simultaneously. According to statistics, from January to April, realized profits and taxes of local budgetary industries grew by 37.5 percent from the same period last year; the number of enterprises incurring losses and the amounts of losses were down respectively 14.7 and 14.3 percent compared to the same period last year.

As a result of the market changes over the last three years and because of enterprises' weak adaptability and historical background, up until the end of 1991, Liaoning Province had remained the province with the nation's largest amount and scope of losses and the one facing the most serious potential losses. In mid-March this year, the provincial government called a meeting on reversing losses and increasing revenue, at which it proposed making the effort to reverse losses and increase revenues the breakthrough point for raising province-wide economic efficiency and expediting the change in the enterprise operation mechanisms. The 20 policies and measures produced at this meeting combined the effort to reverse losses and increase revenues with the deepening of enterprise reform and expediting economic development, and linked the responsibility, powers and interests of reversing losses and increasing revenues. Such a move has been widely welcomed and praised by localities, departments, and the broad mass of enterprises. Over



the last two months, the following characteristics have appeared in Liaoning Province's work of reversing losses and increasing revenues:

1. Organizational leadership was strengthened. Localities and departments have set up the leading group for reversing losses and increasing revenues, vigorously prosecuting the work of reversing losses. Members of the five big leadership groups of the Shenyang City CPC Committee and government organized some 30 assistance and guidance teams, and dispatched these teams to 32 enterprises to help them reverse losses. The total amount of losses for the whole city from January to April was down 50.7 percent compared with the same period last year.

2. The momentum of reform has been enhanced. Most of the deficit enterprises started their efforts to stop losses in the personnel, labor, and distribution systems. Reform in the "three systems" in the Shenyang Number 2 Diesel Engine Plant, which lost over 10 million yuan last year, had a great impact on the workers' spirit; and the four months from January to April saw a reduction of 4 million yuan in losses.

3. The responsibility for reversing losses has been strengthened. Through the signing of the letter of responsibility for reversing losses at each level, the targets for reversing losses were broken down among individual enterprises, workshops, and work groups. Corresponding rewards and punishments and the requirement that collateral be deposited as a pledge to reverse losses have also been set up.

4. The focuses for reversing losses have been highlighted. The provincial and city level administrations dispatched over 1,500 cadres to 424 enterprises whose losses exceeded 1 million yuan, to manage the effort to reverse losses. The cadres were not allowed to leave until the target for reversing losses and increasing revenues for the enterprise was fulfilled. It was a measure widely welcomed by the enterprises.

On 23 May, the Liaoning Provincial Government called a province-wide teleconference on reversing losses and increasing revenues, and proposed, after summarizing the work of reversing losses and increasing revenues during an earlier period, that efforts be devoted to achieving another six percentage points in May and June in the scope of reducing losses.

#### **Commentator Urges Enterprises' Deadline**

*HK0606042492 Beijing RENMIN RIBAO in Chinese  
3 Jun 92 p 1*

[Commentator's article: "There Must Be Concrete Results in Reversing Losses and Increasing Revenues Within a Specified Time"]

[Text] Liaoning Province's vigorous effort to reverse losses and increase revenues has led to a simultaneous drop in areas where losses were incurred and the

amounts of losses in enterprises. It was a hard-won if not amazing achievement for a large industrial province such as Liaoning to have achieved such progress in a relatively short amount of time. Liaoning's experience shows that if we grasp the work with genuine effort and enhance the momentum of reform, we will be able to gradually change the situation of losses in enterprises.

At present, the pace of our country's reform and opening up is increasing and new, good trend has appeared in economic construction. However, the overwhelming proportion of deficit enterprises and persistently large amounts of losses have become heavy burdens and a serious hidden threat against national economic development. Departments and localities must conscientiously implement the "circular on launching intensive efforts to reverse losses and increase revenues in enterprises" issued earlier by the State Council, grasp the effort to reverse losses and increase revenues and make it a top job for expediting economic development, and mobilize the masses to fight a pitched battle in their own localities and sectors to reverse losses and increasing revenues in enterprises.

To grasp the work of reversing losses and increasing revenues well, the first thing is for leading cadres at all levels, in particular leading members in enterprises, to overcome wrong concepts such as "it is reasonable or advantageous to have losses," and understand correctly the causes and significance of losses. Over the last few years, because of changes in the economic situation, the causes of enterprises' losses have become complicated. Some are a result of policy failure that itself is a result of entangled economic relationships; some are policy-related and some are a result of unsound management in the enterprises; and some are mainly caused by the enterprises' own unsound operations and management. Whatever the cause, we must have a sense of urgency about reversing losses and increasing revenues. Letting the problem of losses drag on for too long is like living on one's savings, and in time, the entire fortune will be exhausted.

The causes of failure to bring about a fundamental reversal in enterprises' losses lies in the effect of deep-down contradictions accumulated over many years. The key to reversing losses and increasing revenues lies in increasing the pace of reforms and actively promoting the change in the enterprises' operational mechanisms. For a long time, cadres in enterprises that are suffering from losses or having their debts exceeding assets, have remained entrenched in their "iron armchairs [lifelong tenure]", and the workers holding firmly to "iron rice-bowls," getting wages and bonuses as usual. Local governments and their economic administration departments are not under administrative or any relevant responsibility for the serious losses that are incurred by enterprises under their jurisdiction. How is reversing losses possible when there is no momentum from within or pressure from without? Therefore, it is necessary to enhance the momentum of reform in deficit enterprises, expedite reforms in the "three systems," and there must



be a deadline for all deficit enterprises to reverse losses and increase revenues. There must be the practices of linking workers' benefits with the targets of reducing and reversing losses and rewarding meritorious performance and punishing poor performance to ensure fulfillment of the target of reversing losses and increasing revenues. Cadres who have lost the trust of the masses and are dispirited and incapable of reversing losses and increasing revenues must be promptly transferred. Those who fail to complete the task of reversing losses and are fired on the spot cannot "be allowed to remain at their positions in some other place;" and those involved in matters of responsibility cannot just walk away. Enterprises long suffering from losses and not amenable to change should be closed, suspended, merged, or changed and allowed to seek alternatives. Meanwhile, government administrative departments should also change their functions and refrain from interfering in aspects that they should not interfere in and concede powers where decentralization is required. In strengthening macroeconomic regulation and control, they should create a good external environment for enterprises and allow them to give full play to their capability to reverse losses and increase revenues.

Reversing losses and increasing revenues must be founded in the enterprises themselves. To reverse losses and increase revenues, an enterprise cannot just sit there waiting for a change in the external conditions. It should address its own weak links and start by tightening various internal disciplines, raising quality, lowering consumption of materials, reducing losses due to spoiled work, stop all forms of tax evasion and increase their capital circulation rate; they must make efforts at relying on technological progress, adjusting the product mix according to the market and developing new products, and unleash the hidden potential and dynamism within the enterprise.

Reversing losses and increasing revenues is a systematic social and economic project and requires comprehensive treatment through the concerted efforts of those high and below and of the sectors and localities. Chief leading comrades in localities and administrative departments must take personal charge of the work of reversing losses and increasing revenues in selective units with serious deficit enterprises and see the work through until concrete results are produced. Departments and units related to enterprises must also actively support the work and create essential conditions for enterprises' reversing losses and increasing revenues.

#### **Urban Housing Funds, Completion Problematic**

HK0606052592 Beijing CHINA DAILY in English  
6 Jun 92 p 1

[By staff reporter Li Hong: "Investment in Urban Housing To Top Y [Yuan] 30B"]

[Text] While strenuous efforts are being made to provide more resources for the nationwide urban housing reform

now underway, the country still faces difficulty in raising adequate funds for the massive programme, officials revealed yesterday.

This year's gross input into urban inhabitation projects may well surpass 30 billion yuan (\$5.454 billion), expected to be funded jointly by State coffers, enterprises and individual house owners.

The programme is designed to significantly improve the country's dwelling conditions by 2000, according to Zhang Yuanduan, Director of Real Estate Department under the Ministry of Construction.

Last year's investment was 29 billion yuan (\$5.27 billion), compared with a yearly average of 22 billion yuan (\$4.7 billion) during 1979-88 period, Zhang said in a telephone interview yesterday.

However, even the annual 30 billion yuan (\$5.4 billion) investment is far short of what construction experts have expected. They have said that a yearly investment of 49.5 billion yuan (\$9 billion) is indispensable if China wants to build a total of 1.65 billion square metres of residential floor space in the last 10 years of the century.

Construction Minister Hou Jie had once vowed to increase the country's per capita urban living area to 7.5 square metres by 1995, and to eight square metres by 2000, the government's "better-off" level. The present level is around seven square metres.

Also part of the "better-off" (xiao kang) standard are the concepts that at least 80 percent of houses are private apartments with cooking facilities and washing cells, and that the houses are of nice environment.

China, prior to 1979, paid least heed to housing construction in light of what was then the policy of "production overrides consumption."

It is a common case that almost all work units are troubled by queues of youngsters demanding houses for marriage, ministry officials said.

As it stood in the way of making the citizens better-off by 2000, housing gained priority among the top policy-makers later in the 1980s. The State Council then decided to increase investment, despite a nationwide austerity programme that was then in full swing.

Reaching the goals for the year 2000 could be an arduous job for the government, economists say, because by then the country's urban population will exceed 352 million, compared with the current 210 million, and "outdated and unstable houses" of a total gross space of more than 50 million square metres will need building or renovation.

Last year, only 110 million square metres of new dwelling space were completed, 55 million less than the government's target of 165 million square metres, according to Chen Jinhua, Minister in charge of the State Commission for Economic Restructuring.

**Minister Reviews Real Estate Industry Development**

OW0706100192 Beijing XINHUA Domestic Service  
in Chinese 2107 GMT 6 Jun 92

[By reporters Chen Ri (7115 2480) and Li Niangui (2621 1628 6311)]

[Text] Beijing, 7 June (XINHUA)—In a recent interview, Minister of Construction Hou Jie told these reporters that a real estate market system which includes a variety of economic activities—such as the sale and transfer of land use rights; the buying, selling, and renting of housing units; and the mortgage, trusteeship, and auctioning of real estate—is taking shape in the country. Playing an increasingly important role in national economic and social development, the real estate industry is expected to become one of the mainstay industries of our national economy in the near future.

Our real estate industry has risen abruptly and rapidly amid the spring tide of reform and opening up to the outside world. The real estate industry had experienced a gradual decline after the country's liberation because the implementation of the systems of uncompensated urban land use and distribution of low-rent housing units to workers prevented highly valuable real estate from circulating within the market as a commodity. Since the Third Plenary Session of the 11th CPC Central Committee, the real estate industry has recovered rapidly and developed vigorously with the gradual implementation of compensated land use, reform of the housing system, major efforts devoted to the comprehensive development of real estate, and other reform measures such as the promotion of commercial housing development. Today, there are already 3,700 real estate development companies, 4,700 real estate management firms, and 1,500 real estate bourses in the country. Together, they have 3 million personnel, fixed assets worth 9 billion yuan, and an annual output of nearly 100 billion yuan.

Engaged in a variety of economic activities such as construction and development, trading, management, maintenance, decorating, and property services, the real estate industry is a composite industry that creates high added value. Aside from creating wealth for society and providing finances for the state, it also helps promote the structural adjustment of consumption, enliven the market economy, and fuel the development of a variety of related industries. According to the Ministry of Construction's data on urban housing development, during the decade from 1981 through 1990, a total of 260 million yuan was invested in housing construction, which was 4.6 times the total of the preceding 31 years. The total floor space of completed and occupied housing units topped 1.3 billion square meters, or 1.8 times the total of the preceding 31 years. More than 2,500 housing estates with floor space exceeding 50,000 square meters were completed, while 120 million square meters of damaged or old housing units were reconstructed.

According to initial assessments, so far the total investment in urban real estate nationwide has exceeded 600 billion yuan, which brought about the development of 25,000 square kilometers of state-owned land into 6.6 billion square meters of building space. Existing real estate has a total value of 3.82 trillion yuan, nearly three times the total of a decade ago.

Circulation is becoming increasingly active in China's real estate market. During the Seventh Five-Year Plan period, housing development companies across the country completed real estate development projects worth a total of 102.7 billion yuan, achieving an average annual growth of 39.3 percent. Annually, they sold an average of 132 million square meters of floor space in commercial dwelling units and 58.33 million square meters of floor space in other properties, such as shop lots and office buildings, for average yearly earnings of 68.65 million and 12.46 million yuan, respectively. In 1991, they completed commercial housing development projects worth 33.5 million yuan and earned a total income of 22.4 billion yuan from the 52 million square meters of floor space in completed commercial dwelling units. In 1990 alone, the 1,500 bourses nationwide handled 300,000 real estate transactions worth a total of 12.46 billion yuan.

Land is the mother of wealth. As a composite service industry that creates high added value, the real estate industry has developed land and constructed buildings to provide large finances for the state and quicken the pace of urban development. In 1990, according to statistics compiled by the Ministry of Construction, the state obtained more than 13 billion yuan in direct revenues from land use taxes, real estate taxes, indenture taxes, income taxes paid by real estate development and management enterprises, and sales taxes, as well as by selling commercial and public dwelling units and land use rights to individuals. During the Seventh Five-Year Plan period, the state reabsorbed more 15 billion yuan in surplus currency through the sale of commercial housing units, and it reabsorbed more than 5.6 billion yuan through the sale of used public dwelling units to individuals, aside from collecting 16 billion yuan in rents. During the period from the launching of the system of land sales through August 1991, 2,500 hectares of land were sold nationwide for a total of 2.47 billion yuan. These figures have provided a preliminary indication of the vitality and value of the real estate industry as a mainstay industry of the national economy.

**Southwestern Foreign Trade Fair Concludes**

OW0706092492 Beijing XINHUA Domestic Service  
in Chinese 0333 GMT 7 Jun 92

[By reporters Xiang Hu (0686 5706) and Li Shi (2621 6108)]

[Text] Chongqing, 7 June (XINHUA)—The 1992 Southwestern China Foreign Economic and Trade Fair concluded in Chongqing on 6 June.

The trade fair, attended by more than 1,250 foreign businessmen from 29 countries and regions, was the largest and most successful of its kind held in southwestern China, with a record number of commodities on display.

During the six-day trade fair, economic and trade delegations from Sichuan, Yunnan, Guangxi, Guizhou, Tibet, as well as Chengdu and Chongqing, two cities with independent economic decisionmaking power, closed import and export deals totaling \$294 million with foreign businessmen. In addition, they signed 56 agreements to use foreign capital for real estate development, as well as machinery, electronics, chemical, pharmaceutical, light, and service industries, with high- and new-technology projects being the most popular of all. The transaction total, originally projected at \$50 million by the trade fair's host city, Chongqing, swelled to \$66.45 million on the last day of the trade fair. Even the foreign economic and trade delegation from the Tibet Autonomous Region—"the roof of the world"—nailed down \$2.35 million in tea deals.

Foreign economic and trade delegations from the seven provinces, autonomous regions, and cities suggested making the southwestern China foreign economic and trade fair an annual event and turn it into a small "Guangzhou trade fair" in southwestern China.

#### **Policy Forming on Foreigners in Retail Sales**

HK0606074492 Beijing ZHONGGUO XINWEN SHE  
in English 0506 GMT 6 Jun 92

[Text] Beijing, June 6 (CNS)—China plans to open consumer goods retail business, once a taboo sector, to foreign investment in the latter half of this year. There are also plans to utilize foreign capital to develop other sectors of tertiary industry including trade, communications facilities and service business.

China is now drafting policies for the opening of tertiary industry to foreign investment. The following are some of the preliminary considerations revealed by reliable sources. Some large-sized malls will be set up in Beijing, Tianjin, Shanghai, Guangzhou and Special Economic Zones (SEZs) in coastal opening cities to be operated by joint ventures or cooperative ventures with foreign funds on a trial basis. The goods sold in the malls will include domestic products as well as foreign products, including

products of three type foreign-funded enterprises and imported goods, where the maximum proportion of foreign products will be 50 percent. The joint venture commercial enterprises will be allowed to engage in import and export, but the import and export of such enterprises should be kept balanced so that the import of foreign products will be able to promote the sale of domestic products in foreign markets. As to the domestic products to be exported, they may be Chinese products or products of three type foreign-funded enterprises.

Meanwhile, with the opening of the retail business, there will be no restriction as to the proportion of products of three type foreign-funded enterprises for sale in the domestic market. The important thing will be to keep such enterprises balanced in foreign exchange for import and export. In this situation, the proportion for domestic sale will be fixed by those enterprises themselves in accordance with actual conditions. Since the three type foreign-funded enterprises enjoy the privilege of three years' tax exemption and two years' half-reduction of tax, state-owned enterprises will be facing unfair competition. The preferential policies for foreign-funded enterprises may thus have to make a corresponding adjustment.

#### **Foreign, U.S. Trade Volume Rises in May**

OW0806112592 Beijing XINHUA in English  
1118 GMT 8 Jun 92

[Text] Beijing, June 8 (XINHUA)—China's foreign trade rose 16.9 percent to 12.99 billion U.S. dollars worth in May, the Chinese Customs announced today.

A customs official said that of the total, exports recorded 6.63 billion U.S. dollars and imports 6.36 billion U.S. dollars—up 12.9 percent and 21.3 percent respectively.

The official said that the last month saw a sharp rise in border trade with a doubling of exports while imports rose 31.7 percent.

He said that equipment imported by foreign funded enterprises for investment projects totaled 580 million U.S. dollars, setting a record month.

According to statistics provided by Customs, in the first five months of this year exports amounted to 27.95 billion U.S. dollars and imports 26.21 billion U.S. dollars, up 14.4 percent and 21.4 percent respectively.



### East Region

#### Shanghai's Wu Bangguo Endorses High-Tech Firms

OW0606114892 Shanghai People's Radio Network  
in Mandarin 2300 GMT 5 Jun 92

[From the "Morning News"]

[Text] Wu Bangguo, secretary of the Shanghai CPC Committee, recently wrote an article calling for seizing the opportunity to accelerate the development of Shanghai's new- and high-tech industries and, with still greater awareness, steer economic construction onto the track of relying on the development of science and technology and improving the quality of the laborers.

Comrade Wu Bangguo's article—about 10,000 characters long—is carried in full in today's edition of SHANGHAI KEJI BAO.

Wu Bangguo points out: The competition in overall national strength is decided, ultimately, by competition in new- and high- technologies, as well as new- and high-tech industries.

As far as new- and high-tech industries are concerned, Shanghai faces both challenges and opportunities. We must cherish what is perhaps the last opportunity history has given Shanghai in this century. We must develop, unswervingly and with great determination, new- and high-tech industries, transforming and readjusting traditional industries into new- and high-tech industries, and we must inject new impetus and vitality into overall economic growth.

Wu Bangguo believes that high technical standards, large-scale production, and quick turnover in product variety are essential to developing Shanghai's new- and high-tech industries. We should avoid plurality in leadership in macroeconomic control and avoid dispersion and duplication in microeconomic projects. Our goal is to develop several new-generation pillar industries, give prominence to key projects, and concentrate our efforts on successfully completing selected projects.

In terms of specific means of development, we may adopt the following four methods: joint ventures, cooperation, scientific and technological [word indistinct], and the transformation of traditional industries.

Wu Bangguo writes that after more than a decade of hard work we should develop a situation in which—as far as new- and high-tech industries are concerned—we are inextricably interlocked with developed countries. By that time, Shanghai will have won its proper place in the world economy as the one of the most economically active cities in China, or even on the western shore of the Pacific, and it will have made great contributions to the four socialist modernizations of the motherland.

#### Shanghai Exchange Pioneers Commodity Circulation

OW0606032792 Beijing XINHUA in English  
0318 GMT 6 Jun 92

[Text] Shanghai, June 6 (XINHUA)—The Shanghai Metal Exchange, the only state-level futures market in the country, has made several breakthroughs in the area of commodity circulation.

The metal futures market, which opened May 28 with the approval of the central government, has seen brisk transactions during the past few days.

Besides booming trade in futures, financial experts note that what is most significant is that the futures market has ventured into new fields in the country's drive to establish a highly efficient and complex market mechanism.

Yu Guocong, president of the exchange, pointed out that the futures market has been granted a larger room to maneuver than other markets of production materials in the country.

It was the first market in China to handle futures trading, which was formerly prohibited. All the transactions in the futures market are conducted on the basis of free bidding, and the prices fluctuate according to demand and supply.

Moreover, the members of the exchange, both financial and non-financial units, are allowed to conduct futures trading for themselves or on behalf of other units. And there is no restriction on units outside the exchange conducting arbitrage through the members of the metal exchange. Experts have pointed out that this practice means that specialized companies dealing in futures will sooner or later emerge.

As many of the members are producers of the materials, they are actually granted the right to earn profits through futures trading. According to the rules of the exchange, the earnings and losses of enterprises through arbitrage at the exchange will be deducted from the profits of the enterprises. This is very encouraging for enterprises because they can retain interest on investment in futures if they are willing to shoulder the loss incurred thereby.

What's more, for the first time in history, imported materials are allowed to be traded on the market.

At present, copper, aluminum, zinc, lead, nickel, tin and pig iron are the only kinds of futures available on the market. Steel and other metals are expected to be included soon.

Now the market is still in the primary stage, with deals struck directly between suppliers and buyers, and orders cashed with solid goods.

Yu Guocong pointed out that the futures market is a necessary way to expand and stabilize commodity flow and help find a reasonable nationwide market. But people have yet to forge a correct view of the futures trade in the socialist market economy.



### Shanghai To Issue 34 New Kinds of Stocks

OW0506144592 Beijing XINHUA in English  
1442 GMT 5 Jun 92

[Text] Shanghai, June 5 (XINHUA)—Shanghai citizens will get 34 new kinds of stocks, containing 31.165 million a shares, with a total face value of 311.65 million yuan, starting today.

Leaders from 34 stock companies drew lots on behalf of the city's 2.07 million citizens who have certificates to buy shares.

According to an official from the Industrial and Commercial Bank of China Shanghai Branch, some 50 percent of the certificate holders will have chances to buy the new shares.

The official said that the 34 new shares will be sold at a premium.

In addition, 12 of the 34 stock companies will also issue additional B shares very soon.

### Shanghai To Build Auto Part Production Base

OW0706020792 Beijing XINHUA in English  
0155 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—The largest automotive spare parts manufacturing base in China will be built in the Pudong New Area in Shanghai, the largest industrial city in China, according to an official from the city's authorities.

The decision is the latest move launched by the Shanghai Automotive Industry Corporation (SAIC) to establish the automobile industry as the no 1 backbone industry of the city.

Sources in the corporation revealed that SAIC will invest 530 million yuan to build three spare parts manufacturing projects in the Jiaqiao export processing zone of the Pudong New Area.

And along with the investment from SAIC, foreign capital will also be introduced into the three projects, according to the sources.

The mould-manufacturing joint venture will be built jointly by SAIC and Germany's Eckel and Funke companies.

The venture will introduce designing technologies, equipment and management expertise from abroad to build itself into the most advanced mould designing and manufacturing center in the city's automotive industry. Half of the products made in the venture will be exported.

The tourist bus project will be jointly invested in by the Shanghai Huizhong Automotive Manufacturing Corporation, a subsidiary of SAIC, and the FSV Company of Britain.

It will introduce equipment and technologies from Britain to make deluxe tourist buses, which enjoy a good market in China.

The Huizhong Company will also join hands with the German ZF Company to set up a joint venture making steering gears, tie rods and ball joints.

Three projects will occupy an area totalling 160,000 square meters in the Jinqiao zone, according to SAIC sources.

### Joint-Japanese Corporation Opens in Shanghai

OW0606023692 Beijing XINHUA Domestic Service  
in Chinese 0633 GMT 5 Jun 92

[By correspondent Zhang Lei (1728 4320) and reporter Yu Xi (0151 2569)]

[Text] Shanghai, 5 June (XINHUA)—The Shanghai Sharp Air Conditioner Company Ltd., a Sino-Japanese joint venture, was inaugurated recently.

The joint venture enterprise, which will be built in the Jinqiao Development Zone of the New Pudong Area, is owned by the No. 1 Plant of Shanghai Television Corporation, which produces "Gold Star" color televisions, and Japan's Sharp Corporation and Mitsubishi Corporation. It has a total capital of \$29.5 million and an annual production capacity of 400,000 air conditioners, most of which will be exported.

Both Sharp Corporation and Mitsubishi Corporation are influential, well-known enterprises. As they believed that Pudong provides an ideal investment environment and good basic conditions for manufacturing air conditioners and further venturing into production of other electronic products, the corporations have decided to gradually transfer their advanced products and production techniques to Pudong, beginning with air conditioners.

### New Pudong Sets Import, Export Inspection Bureau

OW0506135492 Beijing XINHUA in English  
1335 GMT 5 Jun 92

[Text] Shanghai, June 5 (XINHUA)—An Import and Export Commodity Inspection Bureau was set up today in the Waigaoqiao Free Trade Zone within the New Pudong Development Area in east China Shanghai Municipality.

At a meeting this morning to mark the founding of the bureau, director of the Shanghai Import and Export Commodity Inspection Bureau Zhao Guojun said that, with approval from the State Import and Export Commodity Inspection Bureau, foreign countries will be allowed to establish their own commodity inspection organizations in the free trade zone. He pointed out that the newly-established commodity inspection bureau will exercise administrative supervision and unified management over these organizations, in accordance with China's laws.

The director said that, according to the provisions in China's "Commodity Inspection Law", the New Pudong Development Area will set up trial commodity inspection organizations in the form of joint ventures or on a co-operative basis. It will also undertake inspection of some designated import and export commodities.

Local officials said that the new bureau was established in response to expected rapid increases in Pudong's imports and exports.

Zhao said the bureau will learn from advanced management methods practised in foreign countries and Hong Kong.

She added that, within the Waigaoqiao Free Trade Zone import and export commodities do not need to undergo compulsory inspection, except in special cases.

### **Domestic Investors Flock to New Pudong Area**

OW0606053492 Beijing XINHUA Domestic Service  
in Chinese 2101 GMT 5 Jun 92

[By reporter Xia Ruge (1115 0320 7041)]

[Text] Shanghai, 6 June (XINHUA)—Since the beginning of the year, when a new wave of foreign investors flocked to Pudong, domestic investment in Pudong has also gathered momentum. Domestic investment made between January and April has exceeded the overall total of previous years.

According to briefings, to date more than 10 central departments, including textiles, materials, commerce, grain, energy, and aeronautics and astronautics, as well as nearly 20 provinces and municipalities, like Jiangsu, Zhejiang, Anhui, Shandong, Fujian, Guizhou, Heilongjiang, Guangdong, Hainan, Beijing, and Shenzhen, have come to Pudong to invest in over 210 projects. They involve many fields and are paving the way for the New Pudong Area to function as a site for "assembly and proliferation."

The establishment of shops by some domestic trading enterprises is beginning to link Pudong with the national circulation network. Presently, provinces and municipalities investing in Pudong are here mainly to set up "windows" for selling their local products. Relevant state departments are also setting up state-level wholesale trading centers for material distribution, wholesaling of coal, and automobile transactions. These commercial enterprises not only assemble in Pudong commodities from all over the country but also spread Pudong's commodities nationwide.

With the Waigaoqiao Free Trade Zone formally coming into operation, domestic organizations dealing in foreign trade have begun building ties with international trade markets. Over 30 Shanghai import and export companies, as well as trading organizations in relevant state

ministries and commissions and from fraternal provinces have moved into the free trade zone. They will import, export, and conduct entrepot trade in the free trade zone.

Nationwide investment in industrial and technological projects is no longer a simple repetition of previous levels but is moving to a higher standard. Presently, investment in production and processing projects from localities meet Pudong's industrial development needs and are of effective advanced standards. In particular, all technological projects are in the high-technology category. Once these projects move to Pudong, they will become the base for industrialization of technological achievements. Technical trade, consultation, and services will proliferate throughout the country.

The wave of domestic investment in Pudong has crashed through barriers dividing central and regional control. Mechanisms to drive the economies of localities and departments to expand outward are in the making. The aim of some departments and localities in investing in Pudong is to use it as a base for developing the economies of their own localities and departments outward. The Ministry of Aeronautics and Astronautics plans to quickly build in Pudong a foreign trade base for aeronautics and astronautics, a high technology industrial zone, and the China space navigation building in the bid to lay the groundwork for projecting China's aeronautics and astronautics to the forefront of world industry.

### **Central-South Region**

#### **Economic Growth Taxes Environment in Guangdong**

HK0606055792 Beijing CHINA DAILY in English  
6 Jun 92 p 3

[By staff reporter Xie Songxin: "Growth Takes its Toll"]

[Text] Guangzhou—The bell that tolls in Rio de Janeiro for a better world environment is echoing in Guangzhou, where the environment is deteriorating as fast as the economy is growing.

"(The environment) is by and large in a downward trend," said Qiang Binghuan, director of Guangdong Environment Protection Bureau. "The future is worrisome."

Environmentalists have been concerned that increasing economic activities in South China may cause further damage to the environment. Guangdong, with the fastest-growing economy in China, expects to catch up to the newly industrialized nations and regions in Southeast Asia in 20 years with its big push for the industrial growth.

But the pollution control reality is not desirable.

The pump of a Guangzhou water plant is only several hundred metres away from the contaminants draining

from a textile factory. The pollution became so severe, the plant stopped its operations recently for 41 days.

Three water plants are located in the area of east Guangzhou, supplying a total of 70,000 people. They are surrounded by at least a dozen factories.

Gan could not rule out the chance that these plants may be affected despite the fact that the textile factory has been ordered to suspend production until its waste treatment facilities are updated.

The Pearl River, which is the source of drinking water for Guangzhou, contains heavy organic pollutants, Gan said. These pollutants exceed pollution control standards by 90 percent in some areas of the river.

The statistics from Qiang's bureau are also alarming: About 1.4 billion tons of industrial liquid waste were pumped into rivers in Guangdong last year; about 40 percent of the water was not treated. Pollution in the Shenzhen River was the most serious.

About 461.5 billion cubic metres of air pollutants were discharged into the province in 1991, about 25 percent of which were not treated at all. Guangzhou, Shenzhen, Foshan, Dongguan, Maoming and Shaoguan suffer from such air pollutants as sulphur dioxide and dust.

Sulphuric rain has affected 88 percent of cities and counties in Guangdong.

Gan said lung cancer cases, particularly among women, has increased in Guangzhou and air pollution is believed to be one of the major causes of the disease.

Qiang said lack of awareness of environmental protection is the major cause of the worsening environment.

While industry has been growing fast recently, investment in waste treatment has lagged behind.

Some rural firms with overseas investors have placed projects along rivers, causing pollution.

To combat pollution, Qiang said his bureau plans to list factories that cause heavy pollution and ask local governments to provide support for renovation and waste treatment.

International low-interest loans will be sought to build pollution treatment facilities.

**Guangzhou Secretary Interviewed on Development**  
*HK0806023492 Hong Kong TA KUNG PAO*  
*in Chinese 29 May 92 p 2*

["Special Dispatch" from Guangzhou by staff reporter He Sui-i (7806 4482 2448): "Interviewing Guangzhou Municipal Party Secretary Gao Qiren on Five Measures Taken by Guangzhou to Develop Itself Into Scientific, Technological, Financial Center"]

[Text] Guangzhou, 28 May (TA KUNG PAO)—Gao Qiren, secretary of the Guangzhou CPC Committee, disclosed that Guangzhou has revised its traditional urban functions and worked out plans to build the city into a scientific, technological, financial, trade, and information center in southern China by changing its industrial structure and creating new advantages.

Gao Qiren gave an interview to this reporter a few days ago. According to Gao, since Deng Xiaoping set the target, urging Guangdong to catch up with the four small dragons in Asia within 20 years, Guangzhou has been placed in a special strategic position, which is determined through a vertical and horizontal comparison with the four small dragons and the newly developed towns in the Zhu Jiang delta. In view of Guangzhou's role played in Guangdong's economic development and its industrial status quo (the advantages of leading industries in the past are gradually replaced by the delta), Guangzhou must comply with the requirements of reform and opening up and make a remarkable breakthrough in its tertiary industry and science and technology.

Following Deng Xiaoping's southern trip, Gao Qiren said, every single move and action taken by Guangzhou in reform has attracted nationwide attention. He received principal leaders and officers from Guangxi, Liaoning, Hebei, Shandong, Henan, Inner Mongolia, Jiangsu, and Shanghai, who came mainly to inquire about the next step taken by Guangdong and Guangzhou. Last month, a vice premier led a number of ministry officials to Guangdong to reaffirm that the central authorities will continue to offer special policies and flexible measures to Guangzhou. All this enhanced Guangzhou's determination to revise the traditional urban functions and build up a scientific, technological, financial, and information metropolis in the south.

The industry of this metropolis will be focused on high scientific and technological light industry, communications and transportation, commodity circulation, building trade, finance, and insurance. With brand new urban functions, Guangzhou will create new advantages for reform and opening up. Gao Qiren said that Guangzhou has already worked out five specific measures.

First, establish an environment and administrative management means for accelerating economic development in society as a whole and effect a change in government functions. In the ratio between planning and market, increase the scope of the market economy and the proportion of market regulation. The decisionmaking powers of operation should be totally delegated to enterprises because social prosperity can be ensured only with the prosperity and economic invigoration of enterprises.

Second, flexibly apply and make good use of the preferential policies granted by the central and provincial authorities to Guangzhou.

Third, make the most of the markets and resources at home and abroad and complete the regional development of



secondary and tertiary industries in the southeastern areas including the Guangzhou economic development zone, the Tianhe high-tech development zone, the Fanyu Nansha economic zone, the Fangchun Dongsha industrial zone, the Xintang processing zone, the Lianhuashan processing zone, and the Yunpu industrial zone which transcend Baiyun and Huangpu districts.

Fourth, the proportion of the above mentioned five major industries in gross domestic product will increase from the current 69 percent to over 91 percent.

Fifth, continue to strengthen cooperation between Guangzhou, Hong Kong, Macao, and Taiwan. Guangzhou should implement the policy of "borrowing a boat to go fishing" in the spheres of trade, export, finance, information, and real estate which have a sound foundation. Guangzhou has made ample preparations for extensively cooperating with Hong Kong, Macao, and Taiwan in the 1990's.

#### **Zhuhai To Expedite Infrastructure Projects**

HK0806104892 Hong Kong CHING CHI JIH PAO  
in Chinese 1 Jun 92 p 3

[By special correspondent Chang Hua (1728 5478): "Zhuhai Decided To Introduce Foreign Capital for Key Construction Projects"]

[Text] An informed source in Zhuhai disclosed that the Guangdong authorities have criticized Zhuhai for its program on "accumulating capital from the mainland alone" for infrastructural projects such as railways, speedways, using the old airport, and the construction of a power station and a large water diversion project; the city should still persist in reform and opening up and widen the channel for capital accumulation. Zhuhai City party committee Secretary and Mayor Liang Guangda has appointed himself general commander for large infrastructural projects because he is not satisfied with the slow progress of preparations for these projects.

It is learned that projects which Zhuhai will start soon or has started include: The Zhuhai-Guangzhou speedway, the Zhuhai-Guangzhou railway, reusing the old Sanzao airport, as well as building a steel factory, a water supply factory, and a large water supply system. In addition, the construction of a cross-sea bridge from Zhuhai to Shekou has been put on the agenda. On the preparations and construction of these large projects, some people in the Zhuhai authorities were of the opinion that because Foshan, Zhongshan, and other areas along the Zhuhai-Guangzhou line [railway or speedway not specified as published] are rich in financial resources, Zhuhai's per capita deposit ranks first in the country, and the city has comparatively adequate circulating funds, fund accumulation for construction should be carried out in the form of bonds and stocks, to prevent "fertile water from flowing into others' fields." This narrow-minded idea, however, was criticized by the Guangdong authorities who pointed out the need to persist in reform and

opening up and to widen the channel for fund accumulation; in particular, the city should not abandon old friends. Therefore, the Zhuhai authorities decided to continue to welcome foreign investments, but the mainland should hold the majority shares.

In addition, because the preparations and construction of these projects are slow, Liang Guangda has decided that the government will form a headquarters for large infrastructural projects and appointed himself general commander of this headquarters. A headquarters will also be set up for each project, and each headquarters will form a professional company as soon as possible to expedite the preparations for and construction of the relevant projects.

As disclosed, the cross-sea bridge from Zhuhai to Shekou is a huge project and much needs to be done for its feasibility study, preparations, and construction. The Zhuhai authorities, however, have taken a deep interest in this project and pointed out that this has an important bearing on promoting Zhuhai's economic leap. Therefore, a headquarters will also be set up to proceed with this work.

According to an estimate, an investment of 2 billion yuan is necessary for the construction of the Zhuhai-Guangzhou railway. The other large projects, with the exception of the Zhuhai-Shekou bridge, will require a total investment of more than 10 billion yuan.

#### **Hainan Secretary Addresses Nansha Spirit Meeting**

HK0606074092 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 4 Jun 92

[Excerpts] A Nansha spirit report meeting, the first of a series of report meetings to be held, was held in the provincial party committee auditorium yesterday afternoon. The report meetings were jointly sponsored by the provincial party committee propaganda department, the provincial civil affairs department, the provincial Communist Youth League committee, the provincial women's federation, and the South China Sea Fleet Political Department.

Provincial party committee, people's representatives conference, government, and Chinese People's Political Consultative Conference committee leaders—including Deng Hongxun, Gu Qinglin, Dong Fanquan, Liu Xuebin, Huang Zhongdao, Xin Yejiang, and Li Mingtian—as well as persons in charge of the Hainan Provincial Military District, the South China Sea Air Force Unit, the provincial armed police corps, the provincial border defense unit, and the provincial fire brigade—such as Deng Hanning, Xu Chunlin, Wang Zhengcai, Shi Dagong, Ge Siguang, and others—attended the report meeting. [passage omitted]

Zhang Wannian, Gong Yansong, Zhou Zhenbin, Zhou Jianmin, Jiang Zhongquan, and Tang Xinliang, who were soldiers from a border defense unit stationed on the



Nansha archipelago, gave vivid and impressive reports which were applauded by an audience of more than 1,000 people.

Provincial party committee Secretary Deng Hongxun delivered a speech at the report meeting, in which he said: The officers and soldiers who have long been stationed on the Nansha archipelago have displayed a spirit of valuing the interests of the motherland and people above anything else and have overcome hardly imaginable difficulties under extremely hard living conditions, defended the motherland's exploitation and construction, and set all of us a glorious example to follow. We must learn from their patriotic and pioneering spirit of selfless dedication, hard work, and fraternal unity.

Deng Hongxun held: This year marks the fifth anniversary of Hainan Province and the Hainan Special Economic Region. This is a crucial year for Hainan to implement its Eighth Five-Year Plan but also a year that offers an excellent opportunity for Hainan to push ahead with its economic construction. Under such an excellent situation, it is of even greater significance to learn from and carry forward the Nansha spirit. Our provincial economic construction began at a later date and on a poor basis. To attain the goal of realizing an unusually high economic growth rate, the people of the whole province must closely adhere to economic construction as the center, work hard, carry out pioneering work, unit as one, make concerted efforts, aim high, guarantee a faster speed and better efficiency, and strive to push all sorts of provincial undertakings development onto a new stage.

The Nansha spirit report meetings are to be held in various areas across the province starting from today.

### Southwest Region

#### Reportage Details Tibetan Environmental Measures

##### Northern Himalayas Said Pollution-Free

OW0606092592 Beijing XINHUA in English  
0831 GMT 6 Jun 92

[Text] Lhasa, June 6 (XINHUA)—Tibet has managed to keep the northern aspect of the Himalayas free from pollution and despite the fact that the region is open to mountaineers for many years.

Lossan Dawa, deputy chairman of the Tibet Mountaineers' Association, said that in 1980 when the Tibetan side of the Himalayas was opened to Chinese and foreign mountaineers, precautions were taken to protect the environment.

The regional government stipulated that all the mountaineers, explorers and tourists must conform to garbage and waste disposal requirements.

Forming the borders of China, India and Nepal, the Himalayas stretch from the east to the west for 2,400 kilometers, and over 6,000 meters above sea level. Four peaks are over 8,000 meters high and 38 peaks are at least 7,000 meters above sea level.

The influx of mountaineering and scientific expeditions and growth of tourism has created garbage disposal problems and caused some damage to ecological environment.

To protect the region the Tibet Mountaineers' Association organizes a clean-up each spring and autumn. There are plans for more waste-disposal facilities.

##### People's Congress Approves Decrees

OW0706130792 Beijing XINHUA in English  
1232 GMT 7 Jun 92

[Text] Lhasa, June 7 (XINHUA)—The Standing Committee of the Tibet Autonomous Regional People's Congress has approved a full set of regulations for environmental protection.

Chen Xianshun, director of the regional Construction and Environmental Protection Bureau, said the regulations provide legal means to protect and improve the local environment and ecological system, control pollution and ensure the people's health.

The regulations cover protection of forest, grassland, water resources and wildlife, as well as mining, construction and discharge of pollutants.

In the field of wildlife protection alone, Tibet has worked out 20 sets of regulations and rules, according to the official.

At the same time, the region has set up a number of bodies for enforcement of the decrees.

##### Manufacturing Firms Control Pollution

OW0806015992 Beijing XINHUA in English  
0132 GMT 8 Jun 92

[Text] Lhasa, June 8 (XINHUA)—The Lhasa Leather Factory has started construction of a sewage treatment project at a cost of 2.5 million yuan.

The factory, which was built with a grant of 12 million Deutsche marks from the German government, has listed the sewage treatment project as a key project in the coming three years.

Qunpei, director of the factory, said that they have invited German experts to visit the factory three times and sent technicians and managers to visit sewage treatment projects in other parts of China, India and Thailand before they worked out the design.

Officials of the Tibet Autonomous Region's Environmental Protection Department said that, though the region has very few big manufacturing enterprises and neither pollution accidents nor acid rain have occurred

on the plateau, the enterprises have already drawn lessons from other places and made efforts to control pollution.

The Tibet Cement Plant, the biggest industrial enterprise in Tibet, produces over 100,000 tons of cement a year. The plant has installed dust collectors and recycles over 90 percent of the dust.

"Though the dust has been collected at a high cost, we are determined to spend the money to maintain a clean environment on the plateau," Tudeng, director of the plant, told XINHUA.

The region also stresses development of pollution-free energy resources such as water, solar and wind power. It has built a 90,000 kw water-storage power station and a large geothermal power station.

#### **Tibetans Obtaining Loans To Develop Production**

OW0806015892 Beijing XINHUA in English  
0127 GMT 8 Jun 92

["Sense of Finance Grows Among Tibetans"—XINHUA headline]

[Text] Lhasa, June 8 (XINHUA)—Tibetan farmers and herdsman, who in years past considered money as "demoniac," are now actively obtaining loans to develop production, construction, manufacturing, commerce and transport.

Doje, a bank official in Doilungdeqen County, said that prior to the popularization of barter trade only a decade ago, over 80 percent of local farmers and herdsman rarely used money. They instead used primitive methods of exchange, and religious admonitions and traditional bias made many Tibetans ashamed of discussing commodities, prices and money.

"They even refused interest-free loans," Doje said.

Ngawang Dainba, a farmer in Doilungdeqen County which is located near the regional capital, told XINHUA that his family of six had never thought of obtaining loans to expand production even though they were often short of grain.

He added, "Most of the farmers and herdsman were content if they had enough glutinous rice cakes and butter"—the traditional food of the local people.

However, the initiation of China's policies of reform and opening to the outside world gradually resulted in changes in traditional concepts. The first major breakthroughs took place in the suburbs and counties surrounding Lhasa, the regional capital.

In 1984, Dainba and six local farmers used a loan to jointly purchase a small tractor. Today, his family own three motor vehicles, earns over 100 yuan per day, and has savings deposits of over 20,000 yuan.

The family has become relatively wealthy and is held in high esteem by local residents.

Doje noted that at present, "so many farmers and herdsman apply for loans that the bank is unable to fulfill the demand."

In recent years, the local bank has adopted preferential policies to support local farmers and herdsman in their effort to develop production. Generally, loan interest is discounted at a rate of 3.2 percentage points lower than the national average.

To date, some 5,553 of the 6,000 households in the county have obtained loans from local banks. Some 84.6 percent of the borrowers have been able to escape poverty and each of 495 families earn over 10,000 yuan, a much higher income than the national average for farmers and herdsman.

Doje pointed out that some 95 percent of local families in the county have built new houses in recent years.

Farmers and herdsman in the remote areas have also gained an increased financial awareness. A case in point being the fact that 14 townships in the fourth district of northern Tibet, an area formerly known as a "no man's land," pooled 287,000 yuan to form a company. And, between 1985 and 1990, the company recorded an overall sales volume of 19.42 million yuan and total profits of 2.22 million yuan. At present, the company operates a hotel, a restaurant, a shop and a fleet of transportation vehicles.

Nganay, another bank official in the region, said that farmers and herdsman throughout the region borrowed only 5.25 million yuan in 1978 only for subsistence. However, in 1990, loans increased to over 180 million yuan, 80 percent of which was used to develop production. He noted that loans valued at over 150 million yuan were retired within the same year.

Official statistics show that the region's per capita income has risen to 455 yuan, and per capita savings deposits have increased from 5.80 yuan to 48 yuan.

#### **Tibet Sets 1st Rural Popular Science Association**

OW0506143592 Beijing XINHUA in English  
1430 GMT 5 Jun 92

[Text] Lhasa, June 5 (XINHUA)—The Naiqung Township Popular Science Association, the first rural popular science association in Tibet Autonomous Region was set up today.

Located in Doilungdeqen County, the newly-established association was set up in a bid to promote local agricultural production by spreading technologies and training technical personnel for local farming, according to local government officials.

Since 1983 the Tibet Regional Agricultural Institute has sent four scientists each year to the township to popularize farming technologies and improve grain strains as well as training local farming technical personnel.

Their efforts have paid off as the township's farming production has developed rapidly.

In 1991 the township's grain output reached a record high of 4.79 million kg, while its per-unit yield of highland barley also reached the record high of 1,280 per mu (0.066 ha).

At present, the association has 2,800 members as 90.72 percent of local households have joined the body, and they have raised a fund of 29.35 million yuan (about 5.3 million U.S. dollars).

### Northeast Region

#### He Zhukang Pens Article on Young People's Duties

SK0206141592 Changchun JILIN RIBAO  
in Chinese 4 May 92 p 1

[Article by He Zhukang, secretary of the provincial party committee: "Youth and Their Duties of the Times"]

[Text] At the time when we celebrate the 70th anniversary of the founding of the Communist Youth League [CYL] of China and the 73th anniversary of the "May 4th" movement, let me extend festive greetings to the CYL organizations at all levels across the province and the broad masses of CYL cadres, CYL members, and youth on behalf of the Jilin CPC party committee. In celebration of this festive day, I have much to say. I would like to talk here about my views on youth and their duties in the present era in particular, serving as an encouragement for the broad masses of young friends.

The future belongs to the youth. Young people are the most dynamic force for promoting social progress and are our country's hope. The development of each and every era cannot be separated from the endeavors of youth, and their healthy growth must also meet the demands of the times. Our country is in a crucial historical period of socialist modernization, reform, and opening up. To better shoulder this historical mission, young people must clearly understand the times and increase their sense of responsibility.

In the long river of human history, each and every person lives in a specific era, and the living conditions and the degree of realizing his own value are closely related to the era in which he lives. Engels once said: "We are creating our own history, but we are creating it with a definite prerequisite and a given condition." In essence, this has revealed the internal relationship between the development of man as a social individual and the development of society as a whole. This gives us a conclusion that a person can choose his own way of living but not the times. Only when we consider promoting social development as our bounden duty and combine our fighting

objective with the demands of the times can we realize our own value to the greatest extent. Therefore, how to increase the sense of responsibility and mission in our present era is one of the important topics about which young people must repeatedly think while they are growing up. A strong sense of responsibility of the times is an internal motivation of all young people, prompting them to make unremitting efforts to realize their ideals. It comes in the course of practice, being guided and acting on their experience and setting norms for the fighting orientation and steadfastness of young people. During the May 4th Movement, the young people accurately grasped the general trend of social change and regarded the advocacy of democracy and science and the pursuit of national liberation as their own sacred mission. It was precisely because of this explicit spiritual pillar that they engendered the indomitable creative spirit and wrote the immortal historical chapter. Numerous revolutionary martyrs regarded saving the people from untold miseries and the nation from dire peril as their goal in life and manifested an indomitable and death-defying heroic morale. It was precisely because heroes and models emerged in the course of the socialist modernization drive and combined the realization of their own value with the work of the party and the people that they made their limited lives serve the people and shine boundlessly and create unusual achievements. The young people of the present era, only by fostering lofty ambitions, merging patriotism with socialism, combining their pursuit of communism with a down-to-earth style of work and their glorious ideals with the reality of their work, regarding the struggle for the future of socialist China as their lofty mission and pride, setting examples with their own conduct, starting the work bit by bit, seeking truth from facts, and working realistically can they pursue greatness from ordinariness, grow healthily, and shoulder the duties of the times. Young people of the present age are trustworthy and are a generation inspiring great hope. The party and the people have always pinned great hope on them and fully trust them and have confidence in them. Youth of this generation are full of patriotic zeal and vigor; have the characteristics of vitality, active thinking, and the courage to forge ahead; and are willing to study. These are the essence and the main aspects of the broad masses of young people. However, there are some young people who cannot adapt to the demands of the times. For example, some people have a relatively weak sense of social responsibility, lack sufficient knowledge of the socialist construction drive and reforms, fail to ponder things carefully, and are easily excited. Therefore, increasing the sense of responsibility of the times in young people has strong practical significance and urgency.

The prerequisite of increasing the sense of responsibility of the times is to have a fairly sober understanding of the times. We are in a critical era affecting the rise and fall of the Chinese nation. From now until the end of this century is a critical period in our country's socialist modernization drive. Looking at the whole world, we



can see that the economic competition is getting more acute and a trend of world-wide change increases day by day. Domestically, we can see that the people of various nationalities are following the guiding principles, strategic ideology, and policy propositions on reforms and development put forward by the party Central Committee. They have further emancipated minds, deepened reforms, expanded the degree of opening up, accelerated economic development, and worked diligently and enterprisingly to attain the goal of becoming better off. The new generation of youth who are stepping into the next century should all the more increase their sense of responsibility, history, and urgency; bear in mind the rise and fall of the motherland; and be determined to regenerate China.

How do we help young people to establish and realize their responsibility of the times in the course of practice? I think the following few points are the most crucial:

First, they should regard building socialism with Chinese characteristics as their most important mission. Building socialism with Chinese characteristics is the hopes of the country and the nation as well as the basis for the future of the young people of the present era. To strengthen the sense of responsibility of the times, young people should closely integrate their personal ideals and future with the great cause of building socialism with Chinese characteristics and with their profound and comprehensive understanding of and adherence to the party's basic line on "one central task and two basic points." This line is hard-earned and is the historical summation of the positive and negative experiences gained over scores of years in the socialist revolution and construction of China under the leadership of our party. It has a direct bearing on our country's stability, economic development, and national regeneration. Practice has already proved that if we implement this line correctly, our undertakings will thrive. Otherwise, we will suffer setbacks. Therefore, Comrade Xiaoping has stressed in his important speech that we should not waver in the party's basic line for 100 years. This shows the determination of the whole party. It is important for young people to continuously maintain this determination firmly and everlastingly. It is hoped that young people will unswervingly implement the party's basic line, use the demands of the basic line to guide their ideology and actions, and strive to mold themselves into qualified successors of the socialist cause during the practice of building socialism with Chinese characteristics.

Second, they should raise their reform consciousness and actively participate in the great practice of reforms and opening up. Reform is to liberate and develop the productive forces and is absolutely identical with the fundamental task of socialism. It is not only practical work but also work concerning future development. From a practical point of view or from a long-term point of view, the success or failure of reforms is closely related to the interests and destiny of the young people of the present age. On the one hand, reforms and opening up

help the young people realize their personal value, display their ability and aspirations, and provide the best historical opportunities for outstanding personnel to come to the fore. On the other hand, reforms and opening up must have the extensive participation of youths and their active support. They need the efforts of youth to proceed from the overall and long-term interests, make arduous or even painstaking efforts to carry out reforms and opening up, and temper and test themselves in the great tide of reforms and opening up. Therefore, youth with a sense of responsibility of the times should pay close attention to realizing their personal value and making contributions to reforms and opening up; take the lead in promoting the distinctive creative spirit of daring to think, speak out, and work in the practice of reforms and opening up; make vigorous efforts to make the country prosperous; make unremitting efforts to improve themselves; actively suggest ways and means for reforms; and dedicate their youth and strength to the tide of the times of emancipating minds, deepening reforms, and expanding opening up.

Third, they should serve national regeneration during the 21st century and comprehensively improve their personal qualities. The development of the world situation showed that the competition among various countries will change from military competition to a competition of comprehensive national strength. The 21st century will be a century of science, technology, and trained personnel. Comrade Xiaoping's advocacy of science and technology as the primary productive forces is a profound thesis concluded after viewing the development of the world and summing up the experiences in socialist construction. Reform is gradually channeling economic development onto the path of relying on scientific and technological progress to raise the quality of laborers. This is of great significance in China's long-term development in the days to come. To undertake the historical responsibility and meet the needs of the development of the times, young people should let their fields of vision cross the threshold of this century, unceasingly enrich and renew their knowledge, comprehensively enhance their personal qualities, and have a firm and correct political orientation, strong patriotic sentiments, great fighting and dedicated spirit, scientific attitude and minds, and rigid skills in building modernization. It is hoped that young people will study diligently, think deeply, make comparisons, practice regularly, and train to become qualified people to meet the needs of the 21st century.

Fourth, they should take the invigoration of Jilin Province as their own tasks and make contributions through hard work. Solid work is a sound strategy for gaining opportunities and the ultimate way to realize development and progress. To invigorate Jilin, we must engage in arduous struggle in a down-to-earth manner. Through more than 10 years of reforms and construction, Jilin Province made considerable progress in economic construction and various social undertakings and ranked first in the whole country in some aspects. However,



compared with the new situation ahead and with the objective demands of the arduous tasks, we are still lagging far behind, and the level of our economic development has remained low. There are still many difficulties and problems. The irrational industrial structure and the poor economic efficiency have restricted economic development, leaving some deep-rooted contradictions unresolved. We should use the guidelines of the recent plenary session of the Political Bureau of the party Central Committee and Comrade Deng Xiaoping's important speech to further unify our thinking and understanding, seize the favorable opportunities, take advantage of the present situation to advance, do all we can to catch up, and be determined to push our province's reform and opening up to a new stage and economic development to a new level.

Since its birth, the CYL of China has been an organization of young vanguards that united with and led the broad masses of young people to devote their strength to our country's revolution and construction under the leadership of the CPC. Seventy years of historical practice showed that the CYL is worthy of the name of our party's powerful assistant and a reliable reserve force. Today, when we celebrate the "May 4th" Movement, we should inherit and promote its glorious traditions during the new historical period. Under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus, we should unceasingly strengthen the self-development of the CYL and fully display the active role of the CYL organizations in conducting ideological education, creating work opportunities, and giving social supervision. In the past the CYL organizations at all levels across the province carried out extensive education on reforms, labor emulation drives, and activities on studying and applying science and technology. Making suggestions on the basis of invigorating Jilin, they led the broad masses of CYL members and youth in making important contributions to developing and invigorating Jilin. In the days to come, we hope that the broad masses of CYL members and youths across the province will care for the major affairs of the state, deepen their comprehensive understanding of the national and provincial conditions, and more consciously uphold the party's basic line; enhance confidence, adopt an active attitude, start their work now, set examples with their own conduct, and strive to create first-rate work on their work posts; actively respond to the calls of the party and the CYL organizations, display their role as a vital force, actively participate in socialist labor emulation drives and all sorts of production and shock activities, and make new and greater contributions to building Jilin and regenerating China, and building two civilizations in the whole province.

If one keeps a firm will, one can transform a mountain. There is no need to worry that one's contributions are not written down in the annals of history. As long as the broad masses of youth never forget the mission of the times in the great practice of building socialism with Chinese characteristics, firmly bear in mind their own

duties, be determined in reforms, and make unremitting efforts, they will surely be able to compose a new song of youth and feel no qualms to history and the times.

## Northwest Region

### Gansu Governor Addresses Crop-Sowing Phone Forum

HK0506061392 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 2 Jun 92

[Excerpts] The provincial authorities called on all areas across the province to take immediate action to grasp the current excellent opportunity and waste no time in accomplishing crop-sowing and plantation tasks. [passage omitted]

The provincial authorities called an emergency teleconference to discuss and arrange for crop-sowing and plantation work yesterday evening.

Governor Jia Zhijie delivered a speech at the teleconference in which he said: The whole province must grasp the current excellent opportunity to carry out rush sowing and plantation of crops, this being an important and urgent task facing leaders at all levels and also bearing heavily on the overall provincial economic development. In view of this situation, we must immediately mobilize people, adopt extraordinary measures, and conscientiously step up implementation work.

Jia Zhijie went on: Party and government leaders at all levels across the province must go to the production forefront. All the principal party and government leaders must assume personal responsibilities for the work. The leaders with special responsibility for the work must make unreserved efforts and every possible endeavor to this effect. Various departments and individuals concerned must also clearly define responsibilities and set clear-cut tasks for themselves. Those who lack a strong sense of responsibility or cause production delays must be held responsible and duly punished.

### Song Hanliang Attends Young Pioneers Congress

OW0206043592 Urumqi Xinjiang Television  
Network in Mandarin 1655 GMT 1 Jun 92

[From the "Xinjiang News" program]

[Text] The second Xinjiang Uygur autonomous regional congress of the Chinese Young Pioneers was opened in grand style at the People's Hall today, 1 June, International Children's Day. Attending the congress were 280 deputies from 13 nationalities, representing 1.68 million young pioneers and 58,000 instructors in the autonomous region.

Among them were outstanding Young Pioneers who achieved high marks in morality, intelligence, and physical education; old instructors who have devoted several

decades to painstakingly educating the younger generations; as well as young, promising, and enterprising instructors.

Attended by so many heroes and celebrities, the meeting turned out to be a grand, historic occasion for the autonomous region's Young Pioneers. It demonstrated not only the healthy and vigorous growth of children of all nationalities in the region under the influence of all-around party grooming, but also the concerns and cares shown by the party and government at various levels for the children's welfare.

During the meeting, the deputies will conscientiously study the important guidelines given by the central leading comrades on child-related work in the new period; implement the spirit of the national Young Pioneers Congress; sum up and exchange experiences on children's ideological education in the region and work relating to young pioneers in the past few years; explore and study ways to further promote children's ideological education in the region in the 1990's; and draw up work plans for the coming five years.

During the opening ceremony, leaders of the autonomous regional education committee announced the names of the region's top 10 Young Pioneers and instructors, who will be jointly commended by the autonomous regional Communist Youth League Committee, the Education Committee, and the Young Pioneers Work Committee.

Delivering an important speech at the meeting, Song Hanliang, autonomous regional party committee secretary, expressed the hope that children of all nationalities in the region will hold high lofty ideals and set ambitious goals; study hard for modern scientific and cultural knowledge; foster fine morality and codes of conduct; build up physical strength; and be ever ready to contribute to socialist and communist undertakings.

Song Hanliang pointed out: It has been the common responsibility of both the party and the community to train successors to the socialist undertaking. Party committees and governments at various levels should, in a high sense of political responsibility to the future of both the party and the state, attach real importance to and show concerns for works relating to Young Pioneers by practically resolving real problems; and mobilizing schools, families, and all strata of the society to jointly create an environment and conditions favorable to the healthy growth of the children under which they will fully develop themselves in such fields as morality, intelligence, physique, and labor.

Other autonomous regional leaders attending the opening ceremony were: Tomur Dawamat, Janabil, Zhang Fusen, (Alijing Selamu,) Sawdanov Zayir, (Shi Geng,) Saersibik Istik, Ba Dai, Yibulayin Rouzi, and Wang Shizhen.

After the opening ceremony, the children presented a series of brilliant cultural shows.

### Firms Urge Agreement on U.S. Copyright Pact

OW0606143592 Taipei Voice of Free China  
in English 0200 GMT 5 Jun 92

[From the "News and Commentary" program]

[Text] Chinese computer manufacturers on Wednesday pressed the ROC [Republic of China] Government to forge a copyright protection agreement with the U.S. to ward off possible U.S. retaliation under the Special 301 provision of the Omnibus Trade and [word indistinct] Act of 1988. At the first worldwide conference of overseas Chinese computer manufacturers [words indistinct] was opened in Taipei Wednesday. Computer manufacturers urged the ROC Government to act on intellectual property rights issues immediately. The U.S. is one of Taiwan's major markets for personal computers, software, peripheral components, accessories, and other computer products. Last year, despite worldwide recession, Taiwan's information industry's total exports exceeded 6.5 billion U.S. dollars. Earlier, President Li Teng-hui had pressed for the signing of a copyrights agreement with the U.S. following talks between the ROC and U.S. last month.

### Spokesman: Nation 'Pleased' With Accord

OW0606175892 Taipei CNA in English  
1537 GMT 6 Jun 92

[Text] Taipei, June 6 (CNA)—The Republic of China [ROC] is pleased with the conclusion of an agreement with the United States on the issue of intellectual property rights protection, a government spokesman said Saturday.

Cheyne Chiu, spokesman for the presidential office, said the Republic of China Government is committed to actively implementing the agreement reached by ROC and US negotiators in Washington late Friday after nearly two weeks of intensive talks.

As a result of the agreement, the US Government has revoked its April 29 designation of the Republic of China as a "priority foreign country" for possible trade retaliation and terminated its investigation of Taipei's practices in intellectual property rights protection.

Economic Affairs Minister Vincent Siew [Hsiao Wanchang] also welcomed the agreement, although he regretted that it had been reached under heavy pressure resulting from US threat of Special 301 trade retaliation.

Siew said domestic industries might be adversely affected by the agreement in the short term, but he stressed that the improvement of intellectual property rights protection will facilitate the country's technological and industrial development in the long run.

According to the agreement, the ROC Government will have to take immediate actions to beef up its protection of intellectual property rights and stiffen penalties for violators.

Taipei also promised to get a copyrights protection agreement, signed between the two countries in 1989, pass the country's legislature before Jan. 31, 1993, and to speed the revision or enactment of related laws.

A ranking official of the ruling Kuomintang said the party, which holds a majority in the Legislative Yuan, will negotiate with opposition legislators to seek to quicken the legislation process so that the country can fulfill its promises.

### Officials Welcome Pact

OW0706122392 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT 6  
Jun 92

[Report by reporter Huang Mei-ping from the "Hookup" program—recorded]

[Text] An agreement has been concluded with the United States on the issue of protecting intellectual property rights. It has been learned that President Li Teng-hui and Premier Hao Po-tsun, who were quickly informed of the accord by relevant departments, were pleased with the results. The ruling parties' ranking hierarchy may soon exchange views on the agreement's legislative process in an effort to finalize relevant legal issues within a specific timeframe and to prevent the Republic of China [ROC] from again being designated as a priority foreign country for possible trade retaliation.

Vice Economics Minister Chiang Pin-kung indicated: In the future, the government will quickly formulate regulations on protecting intellectual property rights, and these regulations will adhere to international standards. Also, Taiwanese who have been ignoring intellectual property rights should immediately readjust their thinking.

Please listen to Huang Mei-ping's report:

[Begin Huang recording] The Sino-U.S. talks on intellectual property rights protection have finally reached an agreement, and, in turn, the ROC has been removed from a list of three priority foreign countries targeted for possible trade retaliation. On receiving the document, Chiang Pin-kung expressed his pleasure. He said: Even after formulating intellectual property rights regulations that conform to international standards, we may be adversely affected to a certain extent. Nevertheless, he stressed: The government will strive to guide entrepreneurs to adapt to the agreement. He contended that, overall, this agreement will provide opportunities for the ROC. According to Vice Minister Chiang Pin-kung:

[Chiang] Viewed from a long-term perspective, intellectual property rights protection will be quite conducive to the ROC's economic progress and overall interests. Therefore, we believe that this agreement is an opportunity. We should form new concepts. Each of us should integrate our individual self-respect with intellectual property rights protection. In turn, I believe that in the

future our scientific and technological progress, along with our overall economic development, will enable us to move onto the path of becoming an advanced country.

[Huang] After our country joins the GATT and forms a task force, similar talks will be held on a regular basis. When asked whether the government finds it necessary to form a special negotiations organization to take charge of international talks, Vice Minister Chiang Pin-kung said: In light of the quickening pace of internationalization, the Economics Ministry will gradually regularize the Board of Foreign Trade's role in trade administration and expand its role in trade negotiations. Therefore, the Board of Foreign Trade will still be the major organization in charge of foreign negotiations. [end recording]

#### Lawmakers Term Deadline 'Interference'

OW0806084092 Taipei CNA in English  
0757 GMT 8 Jun 92

[Text] Taipei, June 8 (CNA)—The Republic of China Government is pleased with the agreement on intellectual property rights [IPR] protection reached June 6 in Washington, a spokesman for the Presidential Office said over the weekend. Chin-i Chiu pointed out that the government is committed to efficiently implementing the agreement so that "infringement of intellectual property rights will be significantly reduced in Taiwan." The Presidential Office spokesman said that in the long run it will facilitate Taiwan's industrial upgrading and internationalization. The agreement was reached after nearly two weeks of intensive talks.

Economic Affairs Minister Hsiao Wan-chang also welcomed the conclusion of the talks, but he regretted that the talks were held under the shadow of the so-called "Super 301" provisions of the U.S. Trade Law. The minister stressed that the agreement will have positive impact on the development of domestic technologies.

Director General Hu Chih-chiang of the Government Information Office noted that both the government and the private sector will take concrete measures to better protect intellectual property rights. "The agreement marks the beginning of actions," he said.

Some others, however, saw it differently. Legislators, including Tsai Pi-huang and Ting Shou-chung, expressed displeasure at the U.S. demand that Taiwan's legislature complete the enactment of certain laws within a time limit. "It is tantamount to an interference in our legislative process," they said. According to the agreement, Taiwan promised to get the copyright protection agreement signed with the U.S. in 1989 pass the legislature before Jan. 31, 1993, and to speed up the revision or enactment of other relevant laws.

They foresaw some repercussions of the agreement in the Legislative Yuan. But they said that legislators will work with executive branch officials for the best interests of the country.

#### GIO To Protect Videotape Copyrights

OW0706114492 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
6 Jun 92

[Report by reporter Wang Hsiang-mao from the "Hookup" program—recorded]

[Text] In view of the fact that an agreement has been reached with the U.S. to remove the Republic of China [ROC] from the Super 301 list, the Government Information Office [GIO] under the Executive Yuan will immediately devise plans to raid illegal cable broadcasting systems and protect videotape copyrights and other intellectual property rights. Please listen to Wang Hsiang-mao's report:

[Begin Wang recording] Yen Lung-chang, director of the Radio and Television Affairs Department under the Executive Yuan's GIO, noted that since 1 May the GIO has conducted intensive raids on illegal videotape outlets and guided others into becoming legal operations to show the ROC's sincerity in protecting intellectual property rights. According to Director Yen:

[Yen] We have taken rigid steps to check MTV parlors since 1 May. Through the cooperation of these parlors and the strict actions of various information units, only 4 percent of the parlors were found to be in violation of regulations. As to the Fourth Channel [cable television], the GIO is planning to work out rules on controlling the unauthorized broadcast of videotapes. However, such rules have not been drafted yet. After the rules are drawn up, Fourth Channel stations can be controlled. Any stations refusing to follow the rules that protect copyrights and require them to pay taxes will be strictly banned from operating.

[Wang] Director Yen noted that the biggest problem is that ROC film dealers feel that prices for the eight large American filmmakers' audio-visual works are still too high. Nevertheless, he said this problem could be solved through the efforts of both sides.

[Yen] The two sides have not reached an agreement on prices because there are still differences between them. However, we hope that neither side will not forgo any opportunity for talks. The representatives of the eight large American filmmakers in Taiwan have told me that the door for talks is not closed; they are willing to talk at any time.

[Wang] Via the Executive Yuan, the GIO has asked the Legislative Yuan to pass the Law on Cable Television as soon as possible. We believe that the ROC will break away for good from the shadow of the U.S. Super 301 list with its efforts. [end recording]



### Government To Set More Regulations

OW0706125892 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 6 Jun 92

[From the "Hookup" program—recorded]

[Text] Wang Chuan-lu, chairman of the Copyright Committee under the Ministry of the Interior, says that eight new sets of regulations related to the Copyright Law have been drawn up.

[Begin Wang recording] In addition to the the regulations on (?work) and pricing, which you just mentioned, the 10 sets of auxiliary regulations also include the other eight sets of auxiliary regulations, all of which have been drawn up by the Ministry of the Interior following discussions with various organs. The formulation of six of these eight sets of regulations, including the fifth set of rules on [words indistinct], over which the U.S. has displayed great concern, has been completed. When the president promulgates the Copyright Law, these six sets of auxiliary regulations, including the aforementioned fifth set, will also be promulgated and go into effect on the same day with the Copyright Law. The other two of the eight sets of auxiliary regulations comprise the Rules for Arbitrating Copyright Disputes and the Rules for Organizing the Committee for Examining and Arbitrating Copyright Issues under the Ministry of the Interior. Because these sets of rules must be checked and ratified by the Executive Yuan before their promulgation, as stipulated by the Copyright Law, they will probably be presented to the Executive Yuan for examination and ratification after Mid-Summer's Day [end recording].

### Slovenian Science Minister Arrives for Visit

OW0406084692 Taipei CNA in English  
0751 GMT 4 Jun 92

[Text] Taipei, June 4 (CNA)—Slovenian Minister of Science and Technology Peter Tancig, accompanied by six other officials, arrived in Taipei Wednesday for a three-day visit to the Republic of China.

Tancig, the first minister to visit Taipei since Slovenia became independent early this year, is here to seek opportunities to increase ties between the two countries.

"Taiwan's experience in development can serve as an example for Slovia to follow," he said.

During their stay here, Tancig and his group will call at the Ministry of Foreign Affairs, the National Science Council, and other economic and cultural institutions.

### Foreign Minister Departs for Central America

OW0406105992 Taipei Voice of Free China in English 0200 GMT 3 Jun 92

[From the "News and Commentary" program]

[Text] Foreign Minister Chien Fu left for Nicaragua on Tuesday [2 June] to attend the 12th summit meeting of Central American chiefs of staff in Managua from 4 to 5 June, at the invitation of the Nicaraguan Government. From Managua, he will go to Guatemala to officiate at a conference of ROC [Republic of China] chiefs of mission in Latin America.

The trip will also take him to El Salvador and Panama. In addition to visiting officials, he will meet with Overseas Chinese leaders in those countries. Upon the conclusion of his trip to Central America, Chien will make a trip to the United States. He will return to Taiwan on 23 June.

### President Li Welcomes Sinologist Delegation

OW0306082692 Taipei CNA in English  
0748 GMT 3 Jun 92

[Text] Taipei, June 3 (CNA)—President Li Teng-hui Tuesday received more than 40 sinologists who have come here from around the world to attend a conference on Chu Hsi studies.

Chu Hsi is a southern Sung Dynasty neo-confucianist whose thought, Li said, has "profoundly influenced Chinese civilization as well as the Chinese way of thinking."

Chu Hsi studies show that China's traditional philosophy can still supply today's world civilization with indispensable "water of life" for inspiration, the president said.

"The conference in Taipei was expected to enhance the quintessence of China's traditional culture and extend the frontier of modern philosophical thinking through your academic exchanges," Li said.

Professor Liu Tsun-jen of National Australia University, speaking on behalf of the scholars, said they had been inspired by President Li's message to the conference's opening session.

In his speech, Li encouraged the academics to share their "knowledge and moral resources" with all others in the world.

### Legislature Unfreezes Nuclear Power Plant Budget

OW0406085692 Taipei CNA in English  
0805 GMT 4 Jun 92

[Text] Taipei, June 4 (CNA)—Construction on the long-stalled fourth nuclear power plant will start soon as the legislature has finally defrosted a long-frozen budget for the project, economic officials said Wednesday.

Despite strong protests from opposition lawmakers, the Legislative Yuan's budget committee yesterday approved a proposal to thaw an NT [New Taiwan] \$7.9 billion budget for the new power plant in Kungliao, Taipei county.

The ruling Kuomintang [KMT]-dominated committee called a vote which approved the release of the fund frozen by the parliament since 1986.

The plant, with a price tag of NT\$170 billion attached to it, is now expected to come on line by the year 2000.

In yesterday's session, lawmakers of the main opposition Democratic Progressive Party [DPP] scuffled with their KMT opponents in an attempt to stop KMT members from raising their hands to pass the proposal.

Lu Hsiu-yi, a DPP member, grabbed a podium microphone while trying to seize a copy of a report held by Economic Affairs Minister Vincent Siew to prevent him from reporting on the project.

Other DPP legislators, using their microphones to pound against tables, tried to shout down the Committee Chairman Liao Fu-pen's announcement of the passage of the proposal. But their efforts were in vain as Liao declared the proposal's passage by a vote of 5-3. The approval is final.

Plans for the fourth nuclear power plant were first initiated in 1980, and a year later the cabinet approved an NT\$11 billion "initial budget" for the facility which Taiwan Power Company officials said will head off power shortages here. The cabinet shelved the plan in 1986 after the Chernobyl nuclear power plant accident in the Soviet Union prompted strong opposition to a new plant here, and the legislature froze the budget. The scheme revived in 1989 because of renewed concern about power shortages here.

Both economic officials and business leaders hailed the passage of the proposal to defrost the budget for the plant. They said the project is expected to stimulate private investment in the country.

#### **Cross-Straits Technology Transfer Guidelines Set**

*OW0306082892 Taipei CNA in English  
0800 GMT 3 Jun 92*

[Text] Taipei, June 3 (CNA)—The Ministry of Economic Affairs has hammered out a set of guidelines to govern the introduction of mainland Chinese industrial technologies into Taiwan, a ranking official reported Tuesday.

"The move is aimed at employing mainland-developed high technologies to upgrade Taiwan's industry," Vice Economic Affairs Minister Yang Shih-chien explained.

According to the guidelines, Yang said, staff of mainland enterprises and research institutes will be allowed to visit Taiwan to transfer technical know-how to their local counterparts.

The government will also permit indirect imports of mainland merchandise related to the proposed cross-Straits technology transfer, Yang noted.

Mainland corporations will, however, be banned from holding a stake in Taiwan companies to which they have transferred technical expertise, Yang stressed.

The proposal to introduce mainland technologies was first recommended by Liu Tai-ying, director of the Taiwan Institute for Economic Research, earlier this year.

Liu said upon his return from a month-long visit to the mainland in late March that Taiwan could learn from the mainland in some high-tech fields.

Yang said Liu's proposal is theoretically good, but its enforcement involves many complex problems, including taxation and patent issues. After two months of careful study, the ministry's Research Department and the Industrial Development Bureau have drawn up several guidelines to facilitate cross-Straits technological exchanges.

The ministry will consult with finance and other government agencies to prepare an even more comprehensive package of rules to govern cross-Straits technology transfers, Yang said.

"As far as I know," Yang said, "the Mainland Affairs Council will call a high-level meeting to review recent developments in cross-Straits ties in August or September."

The regulations governing cross-Straits technology transfers are likely to take effect after that meeting, Yang added.

#### **Government To Expand Indirect Mainland Imports**

*OW0406131692 Taipei Voice of Free China  
in English 0200 GMT 4 Jun 92*

[From the "News and Commentary" program]

[Text] The government is said to be expanding the scope of indirect imports of industrial and agricultural materials as well as semifinished items from Mainland China.

P.K. Chang, vice minister of Economic Affairs, said the government will also take applications from local businessmen on a case-by-case basis for indirect investments in Mainland China on industrial items not yet officially approved.

Taiwan-mainland trade conducted via Hong Kong hit US\$5.8 billion last year, an increase of 44 percent from 1990. Meanwhile, authorities here put cumulated Taiwan investments on the mainland at US\$813 million compared with the mainland's estimation of US\$3.4 billion.

Currently, the economic ministry allows indirect imports of 260 agricultural and industrial materials from the mainland. Taiwan businessmen are permitted to capitalize over 3,700 product lines legally on the mainland.

## Hong Kong

### Over 80,000 Attend Tiananmen Anniversary 'Vigil'

HK0506103892 Hong Kong THE STANDARD  
in English 5 Jun 92 p A-1

[By Cary Huang and Harald Bruning]

[Text] Rally organizers estimated that more than 80,000 people were at last night's candle light vigil at Victoria Park to mark the third anniversary of the 4 June Tiananmen Square crackdown.

In Macao, the government took action to remove pictures from a special anniversary exhibition.

The Hong Kong vigil was addressed by Hong Kong Alliance in Support of Patriotic Democratic Movement in China chairman Szeto Wah, released dissident Lau Shan-ching and former WEN WEI PO Beijing bureau chief Lau Yui-sui.

The three demanded the release of all dissidents still in jail.

Earlier in the day, an imitation of the Monument to People's Heroes in Tiananmen Square, and one of the and Goddess of Democracy, were put up at the Victoria Park, as a mark of mourning for those killed in the crackdown.

In Macao, more than 800 people, including high-ranking Portuguese officials from the Macao government, last night attended a candle-light vigil in the enclave's main square, despite police threats to ban the meeting. The number was double that of last year.

Earlier, Macao Urban Council workers removed from the square about a dozen panels of a pro-democracy photographic exhibition organized by the Macao Union for the Development of Democracy.

Union spokesman Ng Kuok-cheong said he was worried that the action would shake confidence in the future.

A council spokesman said the organizer's application could not be accepted because the event was of a political nature and required Macao Security Force approval.

The spokesman said the organizers had been told use of Senado Square had already been granted for another public activity from 3-7 June.

### Police, Demonstrators Clash

HK0506114992 Hong Kong AFP in English  
1136 GMT 5 June 92

[Text] Hong Kong, June 5 (AFP)—Hong Kong's police commissioner ordered a full inquiry Friday [5 June] after a clash between police and demonstrators marking the third anniversary of the Tiananmen massacre left 37 people injured.

Li Kwan-ha ordered the investigation after the incident in the early hours of Friday morning in which two police officers were seriously injured after being hit on the head by hard objects, while another 28 suffered bruises to their arms. Li said he respected the rights of those who wished to make legitimate protests and understood the emotion that was often part of a demonstration.

However, he deplored the use of unnecessary violence and hoped future protests would be accompanied by self-discipline, adding the result of the police investigation would be forwarded to the attorney general for advice. Some 20 democracy activists denounced Friday what they called police abuse of power during the clash.

The activists, mostly students, gathered outside the Legislative Council building in the banking district of Central and marched peacefully to the police headquarters in Wanchai to lodge their petition over the incident in which seven students were injured.

They condemned the police for using too much force to bar them from approaching the office of XINHUA NEWS AGENCY, Beijing's de facto consulate here, which they said was a sensitive but symbolic area to them.

"The public order ordinance gives the police too much power," said Andrew Tu, spokesman for the group of activists, and called for it to be abolished. Police have denied any violent force was used.

The incident occurred at 2:30 a.m. (1830 GMT Thursday) after some 200 demonstrators, mostly students, marched to the XINHUA offices after a peaceful candlelight vigil in Victoria Park in memory of those killed in the crackdown on pro-democracy protests in Beijing on June 4, 1989. The clash broke out after the demonstrators allegedly refused to heed a police request that only some of them approach the XINHUA building.

The XINHUA office in the British colony has been the venue of several protests over the past few days.

### Governor Wilson Departs on Farewell Mainland Tour

OW0706084292 Beijing XINHUA in English  
0833 GMT 7 Jun 92

[Text] Hong Kong, June 7 (XINHUA)—Hong Kong Governor Lord Wilson left here today for a five-day visit to the Chinese mainland, saying that he is to say farewell to a number of people that he had dealt with over Hong Kong affairs for the past few years.

Speaking to reporters at the airport before his departure, Lord Wilson said that he was also looking forward to sailing down the Yangtze River during his visit.

The governor last visited Beijing in September 1991 for the signing ceremony of the memorandum of understanding on the airport core program.

Earlier reports said Lord Wilson will leave Hong Kong on July 3 and his successor Christopher Patten will arrive here July 9. Chief Secretary Sir David Ford will be the acting governor during the period between Lord Wilson's departure and the arrival of the new governor.

### Arrives in Beijing

OW0706112292 Beijing XINHUA in English  
1109 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—Governor of Hong Kong David Wilson arrived here this afternoon by air for a six-day visit to the Chinese mainland at the invitation of Lu Ping, director of the Hong Kong and Macao Affairs Office Under the State Council.

It is his farewell visit to the mainland before his term expires in July. He took his post in 1987.

Official sources said that during his stay in Beijing, Wilson is expected to exchange views with Lu and other Chinese officials on issues of common interest.

A political advisor to his government and his private secretary are accompanying him on the current tour.

Upon the arrival, Wilson and his entourage were greeted by Lu and British Ambassador to China Robin McLaren. Wilson and Lu met with the press at the airport.

Wilson said that his current visit will give him a chance to say good-bye to a number of people dealing with Hong Kong affairs during his five-year tenure.

When asked to comment on the Sino-British relationship, he said he wants the relationship which is good, which is practical, and which carries out all obligations of both sides involved in the Joint Declaration and Memorandum of Understanding on the Hong Kong New Airport.

In his speech, Lu said Wilson's current mainland tour is mainly aimed at reviewing the past. He hopes that the talks between the two sides would be more relaxed.

On the financial arrangement of the new airport, Lu said China hopes this problem would be settled as quickly as possible since the memorandum has already been signed and the Chinese Government supports the construction of the airport project.

Wilson last visited Beijing in September 1991 for the signing ceremony of the memorandum.

### Attends Banquet

OW0706143792 Beijing XINHUA in English  
1430 GMT 7 Jun 92

[Text] Beijing, June 7 (XINHUA)—Governor of Hong Kong David Wilson, who arrived here earlier today on a six-day farewell visit to China's mainland, was shown welcome at a banquet hosted in the evening by Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council.

Lord Wilson's term of office as the governor of Hong Kong will expire in July. He took up the post in 1987.

Lu Ping, proposing a toast, conveyed to Lord Wilson and his wife the regards from Ji Pengfei, former director of the Hong Kong and Macao Affairs Office.

Calling Wilson "our old friend," Lu said that over the years Lord Wilson has made unremitting efforts to promote the mutual trust and cooperation between Britain and China on the Hong Kong issue on the basis of the Sino-British Joint Declaration, and made useful contributions to the stability and prosperity of Hong Kong.

He said, Hong Kong will surely achieve a smooth transfer, with joint efforts from China, Britain and the Hong Kong residents and so long as China and Britain strengthen consultation and cooperation while adhering to the joint declaration and the memorandum on the new airport in the last five years of the transitional period.

"We look forward to maintaining the same cooperation with your successor," Lu told Wilson.

Lord Wilson, reviewing work of the past five years, said one after another difficulty was overcome and one after another problem solved.

Hong Kong's prosperity has stemmed from the positive development, reform and opening of the mainland and Hong Kong's prosperity and success depend on a practical and successful relationship with the mainland, he said. He wished Hong Kong prosperity and stability, not only for now, but also for the future.

Prior to the banquet, Lu and Wilson held a meeting, which lasted for more than two hours in what they respectively called a "very friendly," "useful and pleasant" atmosphere.

### Meets With Lu Ping on Airport

HK0806014292 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Jun 92 p 1

[By Kent Chen in Beijing]

[Text] China's top spokesman on Hong Kong affairs, Mr Lu Ping, said yesterday that it was vital that disagreements over financing the territory's new airport be resolved as soon as possible.

Speaking on Lord Wilson's arrival in Beijing on his last visit to the Chinese capital as Governor, Mr Lu said: "Now that we have signed the Memorandum of Understanding, we also wish the new airport to be completed as soon as possible.

"I wish the problems could be resolved soon [and] I do believe we can do that."

The meeting between Lord Wilson and Mr Lu lasted for two hours—nearly 30 minutes longer than scheduled—with both men agreeing that the matter should be



decided by the Airport Committee under the Sino-British Joint Liaison Group.

Speaking after the session, Lord Wilson said: "We both share the common view on the basic point, which is that we want to get on with completing the airport as soon as we possibly can. That is the common objective of both sides.

"I do feel after this meeting that it is quite clear we both have exactly the same objective, we want the airport built soon, we want to be cost effective, and that is exactly in accordance with the Memorandum of Understanding on the new airport."

Mr Lu's comments came as the chairman of the Airport Consultative Committee, Mr Wong Po-yan, warned in Hong Kong that the massive project would be delayed if China did not indicate its support before the end of the month.

Under the financial package presented to the Chinese in April, Beijing is concerned at the amount of debt the post-1997 government will be left with as a result of the project.

Chinese officials are unhappy with the soaring estimates of the airport railways projects which have almost doubled from \$12.5 billion to \$22.5 billion in nine months.

They are also concerned over the need to provide callable equity which is considered as debt by China, for both the Mass Transit Railway and the future Airport Authority, which totals \$21 billion.

Under the memorandum signed last July, Hong Kong is to leave at least \$25 billion for the Special Administrative Region government and limit borrowing straddling 1997 to \$5 billion.

Lord Wilson is due to meet Chinese Prime Minister Mr Li Peng in the Great Hall of the People this afternoon and will see other senior Chinese officials during his farewell visit.

According to Lord Wilson, during the meeting he is to review what both sides have been doing in the last five years during his governorship, to sum up that experience and see if there are any lessons to be learnt.

Asked if the sensitive question of allowing more directly elected seats to the legislature by 1995 elections was raised during the meeting with Mr Lu, Lord Wilson said: "There are a lot of things we have got to discuss together about the 1995 elections. The objective on our side is to try to make sure that in all the various arrangements, we have continuity through to 1997."

At Kai Tak airport, before leaving for Beijing, the Governor had said the issue would not be discussed during the visit, but would be taken up by his successor, Mr Chris Patten.

Commenting on the state of the Sino-British relationship, Lord Wilson said it was a "good one" which was built on the foundation of the Memorandum of Understanding.

At a dinner reception for Lord Wilson, Mr Lu highly praised the outgoing Governor, who he said had made a lot of contributions to increasing mutual trust and co-operation during his tenure.

He noted that Lord Wilson had played an important role in maintaining Hong Kong's prosperity and stability.

Lord Wilson said Mr Lu's deep and thorough knowledge of the territory's affairs has been helpful in their dealings on Hong Kong issues.

#### Received by Vice Foreign Minister

OW0806105292 Beijing XINHUA in English  
1001 GMT 8 Jun 92

[Text] Beijing, June 8 (XINHUA)—Chinese Vice-Foreign Minister Jiang Enzhu met with Governor of Hong Kong Sir David Wilson here today.

At the end of their 90-minute meeting, both Jiang and Wilson briefed reporters on what they had discussed.

Both of them described their discussions as "very good."

Jiang said they exchanged views on the present situation in Hong Kong and on the further strengthening of cooperation between the two sides. They agreed to enhance consultations and cooperation so as to guarantee Hong Kong's prosperity and stability and its smooth transition and transfer of power in 1997.

Jiang said both sides reiterated that they would have closer cooperation in line with the Sino-British Joint Declaration on the question of Hong Kong and the Memorandum of Understanding concerning the construction of the new airport in Hong Kong so as to properly handle the questions faced with at present.

Jiang expressed his belief that through cooperation between the two sides, it will not be difficult to solve these questions.

Sir David Wilson said that the meeting had provided "a chance to review the things we have been dealing with during the last five years I have been the governor."

He said during the meeting, he emphasized the value of cooperation between the two sides in trying to resolve any issue that Hong Kong faces.

He said he was very pleased to note that "cooperations between us and the security authorities in Guangdong have been increased in last few months" and there have been "very positive results."

Wilson said the both sides reviewed the present economic situation in Hong Kong. He said that it is a "very good situation," adding that to very large extent, it is

"dependent on economic success of China and economic relationship with south China."

He said the both sides also discussed issues relating to the new airport in Hong Kong.

At the beginning of the meeting, Jiang Enzhu expressed appreciation for Sir David Wilson's efforts in many years for the development of the Sino-British relations and for the prosperity and stability of Hong Kong.

The meeting took place at the Building No. 2 in the Diaoyutai State Guesthouse where Chinese and British officials had held talks on the question of Hong Kong on many occasions.

#### **Governor Designate Appoints Key Personal Advisers**

HK0306051992 Hong Kong SOUTH CHINA MORNING POST in English 3 Jun 92 p 1

[By David Wallen in London]

[Text] The new Governor, Mr Chris Patten has appointed a career civil servant and a Conservative Party researcher as his key personal advisers in Hong Kong.

The Foreign Office announced yesterday that Mr Martin Dinham, a private secretary to Mr Patten when he was overseas development minister, and Mr Edward Llewellyn, head of the Conservative Research Department's foreign affairs section, would join him at Government House.

Whitehall sources were anxious to stress that Mr Patten did not want the appointments to be seen as a snub to staff at Government House or in the Hong Kong Government generally.

The move had been expected for a few weeks when it became clear that Mr Patten, a relative newcomer to Hong Kong and Chinese affairs, wanted officials with whom he already had a close rapport to help him through the early months and beyond.

A Foreign Office spokesman said: "We don't know much more about this yet. What they would do is to join the team at Government House but the actual details of their role will be worked out with the Chief Secretary and Government House staff after they get to Hong Kong."

Mr Dinham, 41, and married with two children, is currently head of the Overseas Development Ministry's Southeast Asia division, an office separate from the embassy in Bangkok where he has worked for the past two years.

Mr Llewellyn, 26, and single joined the Tory research department in 1988 not long after completing an education which took in Eton and New College, Oxford.

He joined as desk officer for European affairs but worked closely with the new Governor when Mr Patten was party chairman during the Tories' successful general election campaign.

No dates have been fixed for the pair to join the staff although their salaries will be paid by Hong Kong taxpayers.

#### **Lawmaker Questions Patten's 'Political Ambitions'**

HK0506103492 Hong Kong THE STANDARD in English 5 Jun 92 p A-3

[By Denise Wong]

[Text] Political ambitions of new Governor Chris Patten could clash with local interests, independent legislator Emily Lau warned yesterday.

Ms Lau said Mr Patten, as a young, leading politician, would likely be working hard to prepare for his political career in Britain after 1997.

"His gallery will always be in the United Kingdom," she said. "Whatever he does here, his eyes would always be on the United Kingdom scene."

Ms Lau said Mr Patten's career concerns would likely clash with local interests, particularly over the British nationality package.

She said she would not regard the British nationality issue closed, as it was Britain's moral responsibility to take care of its subjects, and would continue pressing for rights for all Hong Kong people, rather than just 50,000 key people and their families.

Besides the nationality issue, Ms Lau in a recent letter urged the new Governor to work on speeding up democratization and human rights protection.

Although not having met Mr Patten, Ms Lau said she was given the impression he wanted to bring a completely new style of government to Hong Kong.

"The style may change, but in terms of substance and policy-wise, I don't expect there will be much change," she said. "We should not have illusions. But we also have to put pressure on this politician and steer him in the right direction."

#### **Council: Election Law Should Permit Mainlanders**

HK0506030292 Hong Kong THE STANDARD in English 5 Jun 92 p A-3

[By Louis Ng]

[Text] The Legislative Council's Election Review Committee has suggested the election law be amended to allow representatives of the Provincial and National People's Congress to take part in the 1995 election.

According to present legislation foreigners cannot be elected to the Legislative Council.

Most members think this a violation of the "through train" principle whereby legislators will be able to see out their term when China takes over in July 1997.

"Members believe mainland politicians should be allowed to take part in the 1995 election as the four-year term goes beyond 1997," legislator Yeung Sum said after the meeting.

People's Congress representatives can be Legislative Councillors after 1997 when Hong Kong becomes a Special Administrative Region.

Mr Yeung and Szeto Wai, another United Democrat on the committee, opposed the suggestion.

#### **Background to Basic Law Amendment Dispute Viewed**

HK0306125492 Hong Kong WEN WEI PO in Chinese  
2 Jun 92 p 12

["Special Commentary" by Liu Hsiao-Keng (0491 2556 5087): "What Is Behind the Provocation of Disputes"]

[Text] The drafting of the Basic Law took four years and eight months, during which it was discussed and debated at various levels, and finally agreed on, and passed by the National People's Congress. Those who have read the Basic Law should know that it will not be implemented until 1 July 1997 and that it must not be amended before this period. However, recently, people like Martin Lee Chum-ing have changed their former recognition of the Basic Law and actively called for its amendment before 1997. The purpose of what they are doing can hardly escape the attention of Hong Kong residents. What is astounding is Mr. Goodlad, the new British Foreign Office minister, who echoed, to one's surprise, the words of people like Martin Lee during his visit to Hong Kong. He also said that the Basic Law could be amended before 1997.

In response to Goodlad's remarks, the Chinese Foreign Ministry spokesman reiterated that the Chinese side has repeatedly shown its position on this question, that is, "the Chinese side will not discuss this question with the British side." Our advice is that the British side had better not mention the question.

What people are concerned about at the present time is not the question of whether or not China and Britain will dispute the possibility of amending the Basic Law, because the conclusion of this question is already clear. What they are concerned about is whether or not China and Britain can continue to cooperate in a friendly manner and whether or not Hong Kong will be able to maintain its stability over the next five years, and whether or not Hong Kong's transition will be smooth and steady in 1997. All this depends on the sort of policy pursued by Britain for Hong Kong in the next five years.

Recently, some British newspapers have disclosed that the "policy of mollification of China, which has long

been pursued by 'China experts' in the British Foreign Ministry, will be abandoned." Some commentaries even pointed out that Britain's "hard line" for China "is in danger of emerging soon." These commentaries perhaps would not come without good reasons.

People can see that on the one hand, in the wake of Britain's general election, the Conservative Party can continue its rule and some high-ranking British officials have repeatedly stated the need to abide by the Sino-British Joint Declaration and to cooperate with the Chinese Government in a friendly manner. This is of course welcomed. The Chinese Government has always attached importance to Sino-British relations, and has signed with the British Government the Sino-British Joint Declaration and the Memorandum of Understanding Regarding the New Airport of Hong Kong and Relevant Questions. It also insists on using the two documents as guidance to handle the question of Hong Kong. In the remaining years of Hong Kong's transition period, China insists on strengthening negotiation and cooperation in line with the principle of matching things to the Basic Law and making efforts to bring about Hong Kong's steady transition and smooth changeover. However, on the other hand, some high-ranking British officials have revived the old dispute between China and Britain, showing a policy deviating from the friendly cooperation between China and Britain. For example, they openly support and connive at Martin Lee Chum-ing, who has insisted on opposing the Chinese Government and the Basic Law all along; encouraging them [as published] in what they call quickening the pace of democracy; and giving support and encouragement this time, to one's surprise, on the question of amending the Basic Law before 1997. Some people even go so far as to attempt to include him in the Executive Council. Despite the fact that some British officials have asserted that they have no intention of changing the executive-led [government], the British Hong Kong Government is secretly implementing its intention of changing the executive-led [government], and has long prepared the so-called "three steps" of the political system debate, by which the appointment system in regional administration is to be abolished, the pace of striving for more directly elected members for the Legislative Council is to be quickened, and the relations between the Executive Council and the Legislative Council are to be changed. People see all this clearly. In view of these facts, people will naturally cast doubt on the words by the Britons about maintaining the Sino-British Joint Declaration and cooperating with China in a friendly manner.

We can say that Goodlad has helped Hong Kong people see more clearly. Through his remarks, they see the message of the "hard line" which the Britons said will be implemented, the danger that some people will probably throw Hong Kong into disorder, and also the hypocrisy of some who claim to use "the hard line" to "defend the interests of Hong Kong people."

Abiding by the Joint Declaration and strengthening Sino-British cooperation should be the common goal of

both China and Britain. At present, only by ensuring that the Joint Declaration be implemented and that the development of Hong Kong's political system matches the Basic Law can Hong Kong retain its stability and prosperity. This is in keeping with Hong Kong's current and long-term interests, as well as those of China and Britain. Allen Lee Peng-fei said recently he has received

letters from residents expressing their hope for Hong Kong's prosperity, stability, and continued improvement in living standards. He maintained that that is the very aspiration of Hong Kong people. He also hoped that Britain will not create a political disturbance in Hong Kong. Relevant parties within the British Government should think deeply about this!



**END OF**

**FICHE**

**DATE FILMED**

9 June 1992

